

City of Tumwater Economic Development Plan 2019

*Achieving a Diverse, Prosperous, and
Sustainable Economy*

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Amended March 19, 2013
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PLANNING FOR A ROBUST ECONOMY

The City Council adopted the Economic Development Plan on April 20, 2010, amended it in 2013 to address revisions to the Littlerock Road Subarea Plan, and updated it in 2019 based on the City Council's Strategic Priorities and Goals 2019 – 2024. This Plan establishes economic development as a high priority of the City government and articulates the following desired outcomes because of proactive economic development:

- Bring enough wealth and resources into the community to create opportunities for all residents
- Provide enhanced opportunities to shop, play, visit, and work in Tumwater
- Proactively and positively guide the development that the community will receive as the region grows
- Create a diverse and sustainable tax base to support the ongoing provision of City services for all residents
- Create a quality community with vibrant and safe neighborhoods
- Use the economic development process to provide equitable opportunity in entrepreneurship regardless of race and ethnicity, class, gender, sexual orientation, ability, culture, country of origin, age, or veteran status.

PLANNING PROCESS

The Council formed the Economic Development Advisory Committee in 2007 to advance the topic of economic development by drafting an Economic Development Plan.

The EDAC began meeting in November 2007 and finalized its recommended strategies in December 2009. The result of the Committee's work, a Recommended Draft Economic Development Plan, was reviewed by the Planning Commission in early 2010, revised, and then reviewed, revised, and adopted by the City Council in July 2010.

The Plan was subsequently amended in 2013 to reflect amendments to the Littlerock Road Subarea Plan. An update of the Plan was completed in 2019 based on the City Council's Strategic Priorities and Goals 2019 – 2024. The 2019 update took into account the progress the City has made in addressing the Goals and Strategies of the 2010 Plan, including completing the Brewery District and Capitol Boulevard Corridor Subarea Plans, transferring the old Brewery Tower to the City, as well as completing Phase 1 of the Bush Prairie Habitat Conservation Plan.

The 2019 update also addressed some new initiatives that have started since the 2010 Plan was completed, such as the City's focus on branding, working in the Innovation Partnership Zone in the Craft Brewing and Distilling industry cluster, and creating opportunities for small brewing, distilling, food preparation, and personal care product preparation in the Warehouse and Craft Districts.

Important changes also occurred with annexations that almost doubled the City in size due to the annexation of both the eastern and western urban growth areas. The 2019 Plan update also addressed a fundamental change in commercial markets: the market realities of a shrinking "brick & mortar" trend and an expanding online retail sector with accompanying change in taxable revenue and the start of the shift in focus from green field development to redevelopment in the City as larger sites are built out. The update also reflected the currently booming Puget Sound economy, rising housing costs, and the City's interest in promoting brewing, distilling, and craft food industries.

Analytic Inputs to the 2010 Economic Development Planning Process

The following analytic components were considered during the creation of the City's economic development strategy in 2010.

- **Economic and Demographic Profile** – baseline information about Tumwater's demographics, economy, and market position
 - **Baseline Fiscal Analysis** – forecasts of the City's future financial position
 - **Fiscal Implications of Land Use Alternatives Memorandum** – comparison between the relative fiscal impacts of various development types for the City
 - **Comparative Retail Tax Base Composition Analysis** – illustrating the relative contributions of different industries to Tumwater and comparable cities' retail tax base
 - **Community Open House Summary** – feedback provided by community stakeholders who attended this event
 - **Stakeholder Interview Summary** – interviews with 14 community stakeholders
 - **Economic Development Preferences Survey** – a statistically significant survey of Tumwater Residents on economic development and fiscal issues
-

Analytic Inputs to the 2019 Economic Development Plan Update Process

As part of the update of this Plan in 2019, the following additional inputs were used:

- **Economic and Demographic Profile** – updated baseline information about Tumwater's demographics, housing, economy, and industries

- **Baseline Fiscal Analysis** – forecasts of the City's future financial position
-

STRATEGIC GUIDANCE

CITY OF TUMWATER VISION STATEMENT

Tumwater of the future will be people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and a living connection to its history.

CITY OF TUMWATER MISSION STATEMENT

In active partnership with our citizens, we provide courageous leadership and essential municipal services to cultivate a prosperous economy, a healthy natural environment, vibrant neighborhoods, and a supportive social fabric.

CITY OF TUMWATER BELIEF STATEMENT

We Believe in *P-E-O-P-L-E*:

People. We respect the diverse citizenry that makes up the social fabric of our community and strive to meet the needs of all citizens. We value and seek to strengthen our vibrant neighborhoods, which are cornerstones of civic life and community identity. As we pursue our goals and the long-term sustainability of the City organization, we value the contributions of our staff, support their continued personal and professional growth, and act to retain their expertise for the good of the community.

Excellence. We strive for excellence and integrity in providing City services. By providing quality services, being responsible and efficient stewards of public resources, and empowering employees to achieve excellence, we continue to build public trust and encourage civic involvement. We know that excellence does not have to come at the price of our sense of community or our small city character.

Opportunity. We seize opportunities to improve our community's social, environmental, and economic well-being. We endeavor to realize positive opportunities in adverse situations and periods of change.

Partnership. We work collaboratively with citizens, businesses, and community organizations. We also actively partner with other jurisdictions to address regional, state, and even broader issues.

Learning. We are a learning organization that tries to benefit from past experience, foresight, and innovation to seek new ways to enhance the community and improve City operations and services.

Environment. We act to preserve and enhance the natural environment and the social fabric of our community.

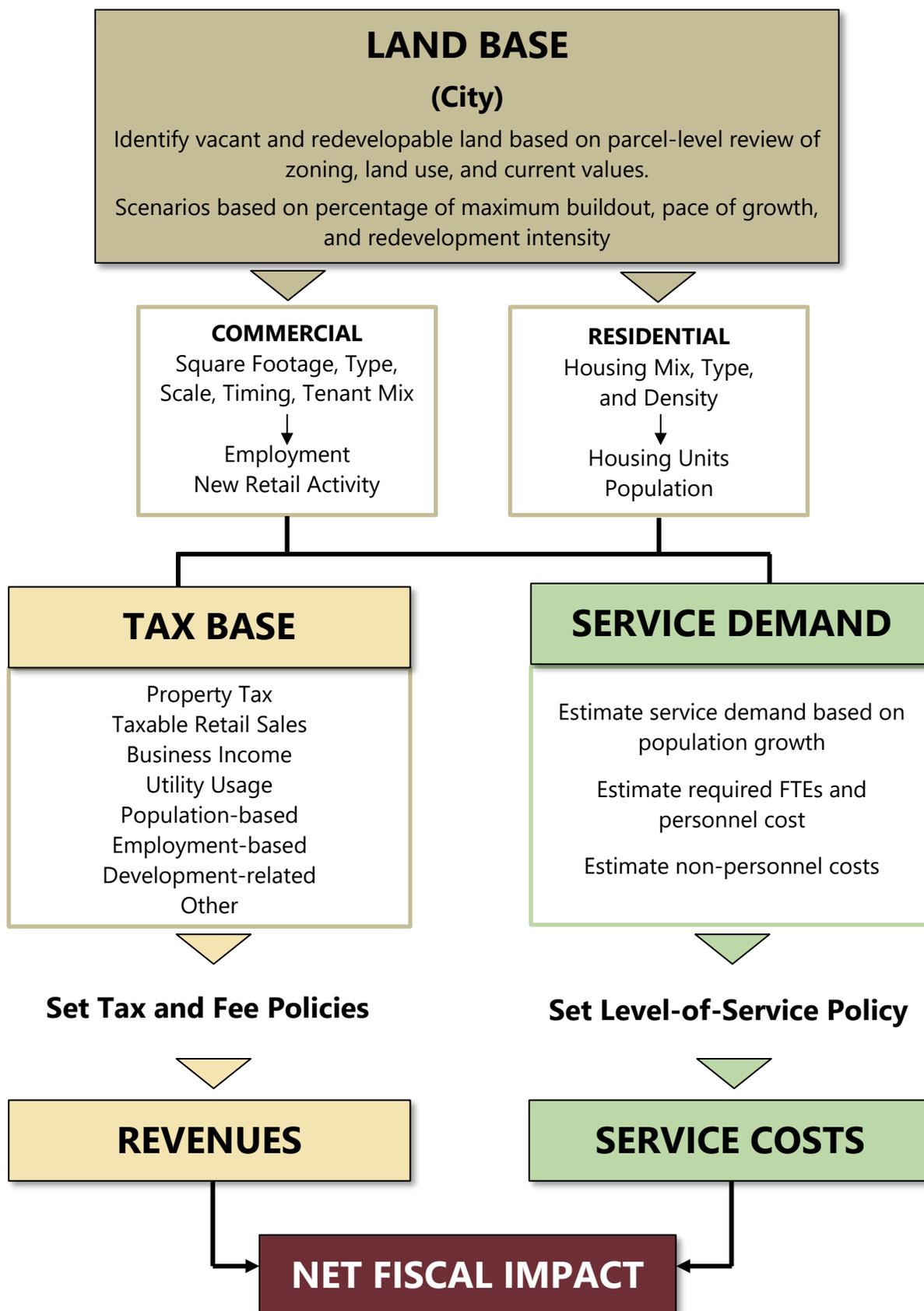
SUMMARY OF ANALYTIC FINDINGS

In creating this Plan, a broad array of analytic inputs was considered. This section presents a brief summary of key analytic findings. A comprehensive compilation of all such inputs is presented in a separate volume in this Plan's **Technical Appendix**.

FISCAL BASELINE ASSESSMENT

The City's long-term fiscal sustainability challenge is to balance land use, fiscal policies, and effective delivery of municipal services. Cities in Washington State face particular challenges in achieving fiscal sustainability given statutory limitations on property tax revenues. As shown in the diagram on the next page, factors affected by each community's land base such as population, employment, and commercial activity drive both demand for City services and the underlying tax base that provides the revenues needed to provide these services.

As a starting point for this economic development planning process, a baseline fiscal analysis was conducted in 2018 to evaluate the City's overall financial health in the coming years. The analysis examined how Tumwater has performed financially over the past decade, relative to peer cities, and the ways economic development activities have affected the City's financial vitality over the past decade. It also offered recommendations for integrating economic development and fiscal planning in the future.



Fiscal Analysis Background

2010 Fiscal Analysis Summary

The 2010 Economic Development Plan placed substantial emphasis on an agenda aimed to generate clear fiscal benefits. It is important to note that the Plan was developed from 2008 to 2010 during a significant recessionary period that showed dramatic decline in the pace of construction, property value increase, business growth, and sales tax revenue; a period that follows directly on the heels of a decade of unprecedented construction growth. The first option listed in the 2010 Plan to address tight municipal budgets was to “pursue economic development, increasing the City’s tax base through retail or employment growth.”

The Plan identified annexation as a pivotal tool both for economic development and fiscal sustainability, a strategy implemented in recent years. Analysis conducted in 2010 projected City revenues with and without annexation. Revenues were forecast by major tax and fee source. Expense projections distinguished between personnel and other operating costs.

A community survey (2008) that accompanied the Plan showed concern about the prior pace of growth, limited support for general tax increases, and a desire to use economic development as the primary tool to support services. However, there does not appear to have been any forecast of revenues and expenses with or in the absence of any specific strategic economic development program¹.

2018 Fiscal Analysis Updated Approach

The 2018 fiscal analysis included a look at the City’s-specific revenues/expenses, and a 2016 comparison to peer communities in Washington State (similar populations, revenue structures), which compared revenues and expenses for 2016 and over the last decade (2006-16), as 2018 data was not available for other cities. Comparative data for cities across Washington was available from the Washington State Auditor, Local Government Financial Reporting System (aka Budgeting Accounting and Reporting System or BARS). For comparative purposes, analysis focused on General Fund Revenues and Expenditures, which provided the most “apples-to-apples” measurement indicators. Equally important, the General Fund is the most “flexible” fund source for cities, where policy decisions can impact how much to invest in core and discretionary services.

Because each city had a different population base and resident populations have changed over the last decade; this review standardized the revenue and expense comparison by

¹ Since the adoption of 2010 Plan, the City has prepared a 5-year financial plan as preparation for the biennial budget development.

illustrating the comparative mixes of local jurisdiction revenues and expenses as a percentage of the total. While this approach sought to find the closest comparable cities, there was no ideal way to compare communities given variations in nighttime and employment population, services offered, revenue structure, and presence of special districts.

Fiscal Analysis

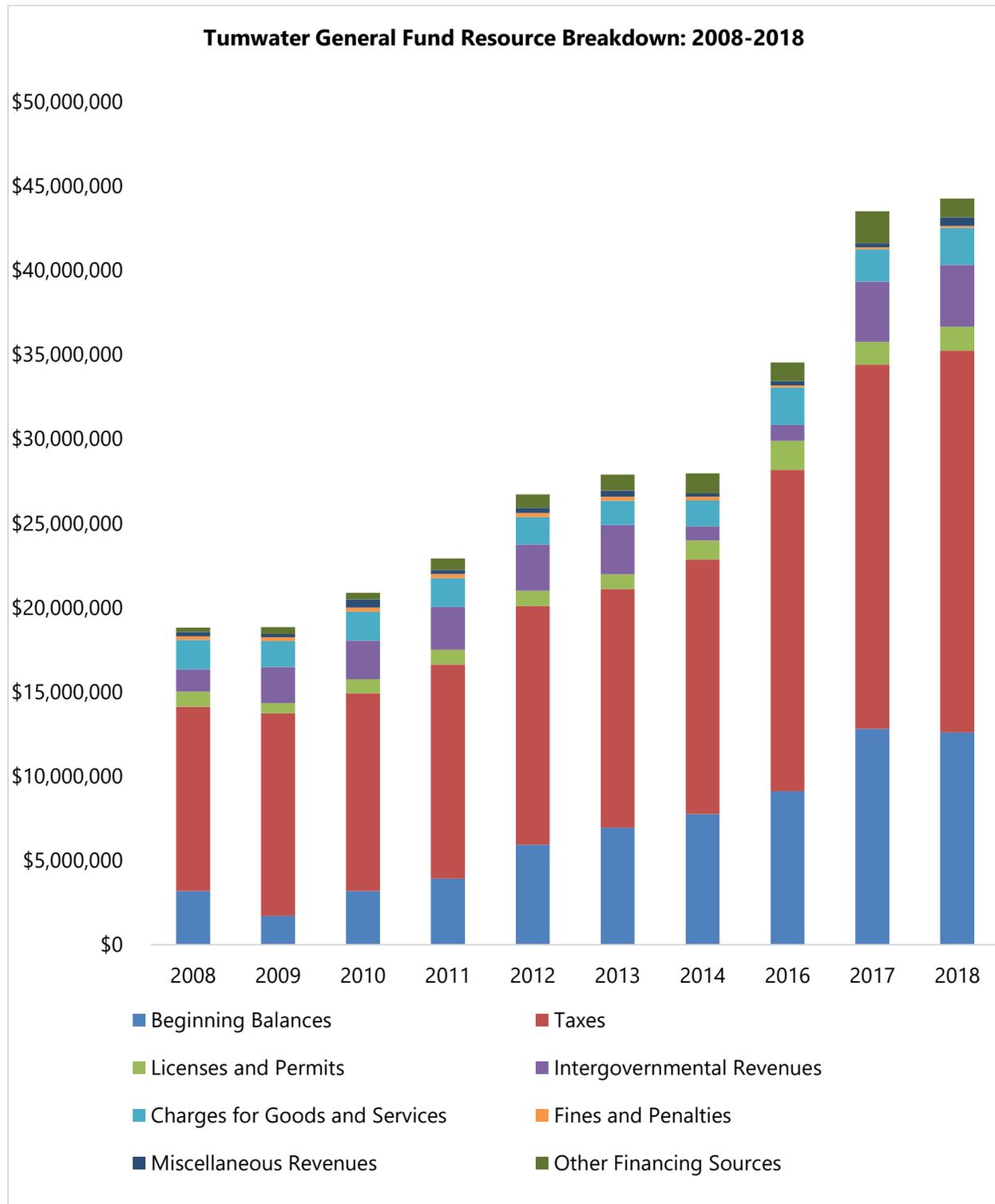
Revenues – Tumwater

Note: To normalize data for Tumwater and all peer cities, the following charts and analysis omit the years 2007 and 2015 for which data was not reported by all cities. The omissions did not significantly affect trends analysis.

As shown in the charts on the following page, the City has experienced considerable General Fund revenue growth over the past decade, with the single largest year-over-year growth occurring in 2017. Notable characteristics in this growth period included:

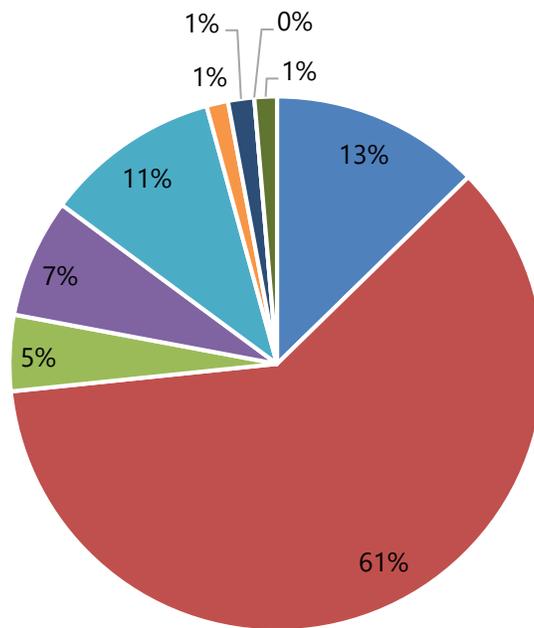
- A diversifying revenue portfolio – while taxes remain the primary general fund revenue engine, today, just 55% of the City's general fund revenue comes from taxes, compared to 61% a decade ago. Revenue growth has been strongest in "taxes" and "beginning balances." Strong beginning balances reflect a strong fiscal management and/or strong revenue growth in prior years.
- License/permit revenue has climbed steadily following the recession, albeit at a much smaller scale.
- Intergovernmental revenue climbed steadily from 2006-2012, but has dropped significantly as a total portion of revenue since.
- In 2018, total sales tax revenue for the City was \$7,216,442. Ten businesses paid 43% of the total sales tax revenue in 2018. Those ten businesses included eight retailers.
- From March 2018 to February 2019, 9% of the City's sales tax revenue came from construction sales tax.
- In 2018, the top ten consumers of City of Tumwater water represented 29% of the total water consumption.
- In 2019, the total property tax levy in the City is \$9,499,678.30. The top ten property tax payers will pay 14.15% of the levy, while the top twenty property tax payers will pay 18.6% of the levy.

- In 2018, the top ten businesses paid 47% of the total business and occupation tax.



Source: City of Tumwater and J Robertson and Company, 2018

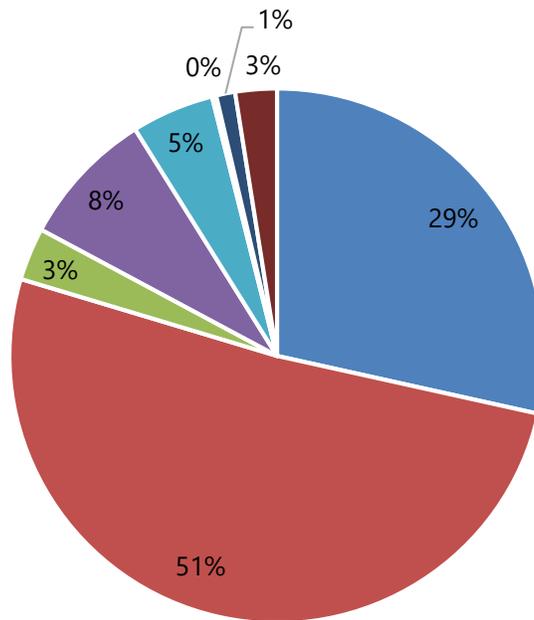
Tumwater General Fund Resource Breakdown: 2006 (\$16.7 M)



- Beginning Balances
- Licenses and Permits
- Charges for Goods and Services
- Miscellaneous Revenues
- Other Financing Sources
- Taxes
- Intergovernmental Revenues
- Fines and Penalties
- Other Increases in Fund Resources

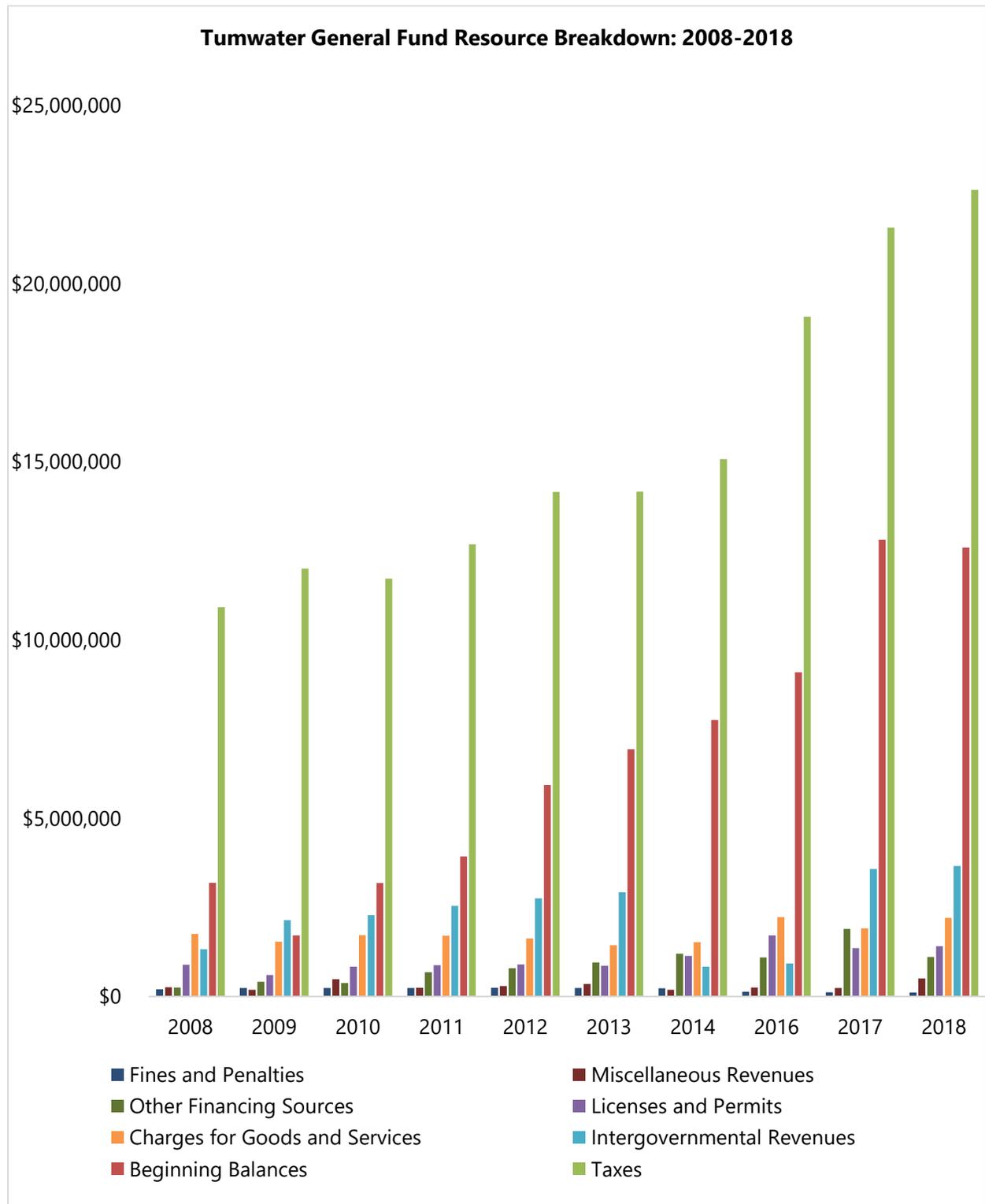
Source: City of Tumwater and J Robertson and Company, 2018

Tumwater General Fund Resource Breakdown: 2018 (\$44.2 M)

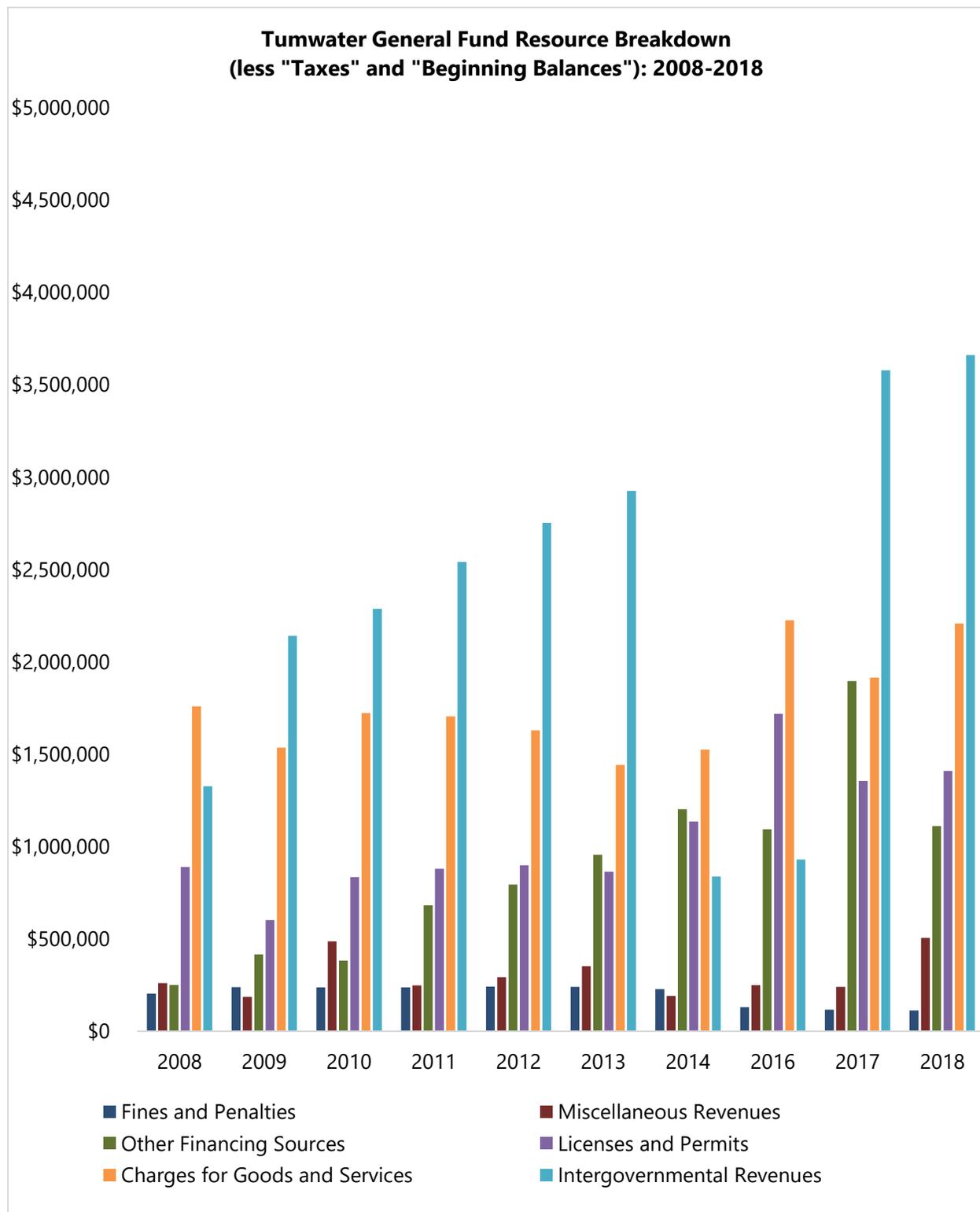


- Beginning Balances
- Licenses and Permits
- Charges for Goods and Services
- Miscellaneous Revenues
- Taxes
- Intergovernmental Revenues
- Fines and Penalties
- Other Financing Sources

Source: City of Tumwater and J Robertson and Company, 2018



Source: City of Tumwater and J Robertson and Company, 2018



Source: City of Tumwater and J Robertson and Company, 2018

Peer City Overview

The peer cities review was aimed at addressing the question:

How has the City fared from a financial perspective – currently and over the last decade, relative to similar communities?

Five cities were selected as peer communities for revenue/expense comparisons in consultation with City staff.

Peer City Populations, 2006-2016

City	Population (2016)	Annual Growth Rate (2006-16)
Tumwater	23,040	5.4%
Arlington	21,620	3.3%
Camas	21,810	2.5%
Covington	18,750	0.8%
Marysville	64,940	6.7%
Snoqualmie	13,110	5.3%

Source: U.S. Census and Washington State Office of Financial Management (OFM), 2016

All selected cities were in the Puget Sound region –Tumwater south, Arlington north, and Snoqualmie east. Except for Marysville, peer cities were similar or slightly smaller in population than Tumwater.

With just over 23,000 residents as of 2016 and 23,830 residents as of 2018, Tumwater’s population has also grown fairly-rapidly over the decade, increasing at an average rate of 5.4% per year. Much of this growth is due to annexation, notably in 2008 and 2016. Of the 9,500 residents added to Tumwater’s population from 2006-16, approximately 5,900 of the new population (62%) occurred as the result of annexation. In the absence of annexation, the population growth rate would be adjusted down from 5.4% to about 2.4% per year.

Of the six comparison cities, Tumwater was the second largest in terms of population. Tumwater also was the second fastest growing community – behind Marysville and just ahead of Snoqualmie based on average annual population growth rate, including annexations.

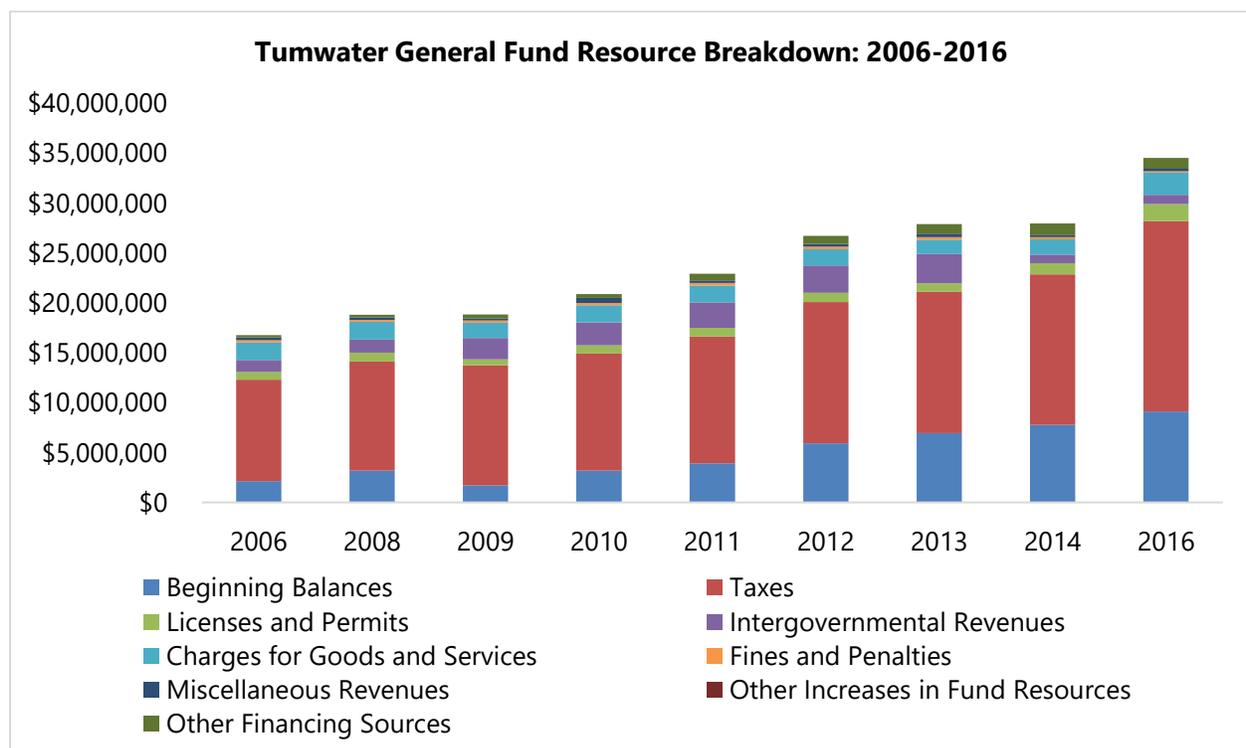
Camas was most like Tumwater in that it offers full municipal services including water and sewer. It also operates a solid waste utility and operates a library, unlike Tumwater, which provides a library building operated by a special district. Marysville was significantly

larger, but offered the full suite of services, along with a solid waste utility. Arlington and Snoqualmie were similar in services offered. Covington was least like Tumwater in that it is a newer city and had no Fire Department, provided law enforcement by contract, had no library, and no water or sanitary sewer utilities. It also operated an aquatic center.

Revenues – Peer City Comparison

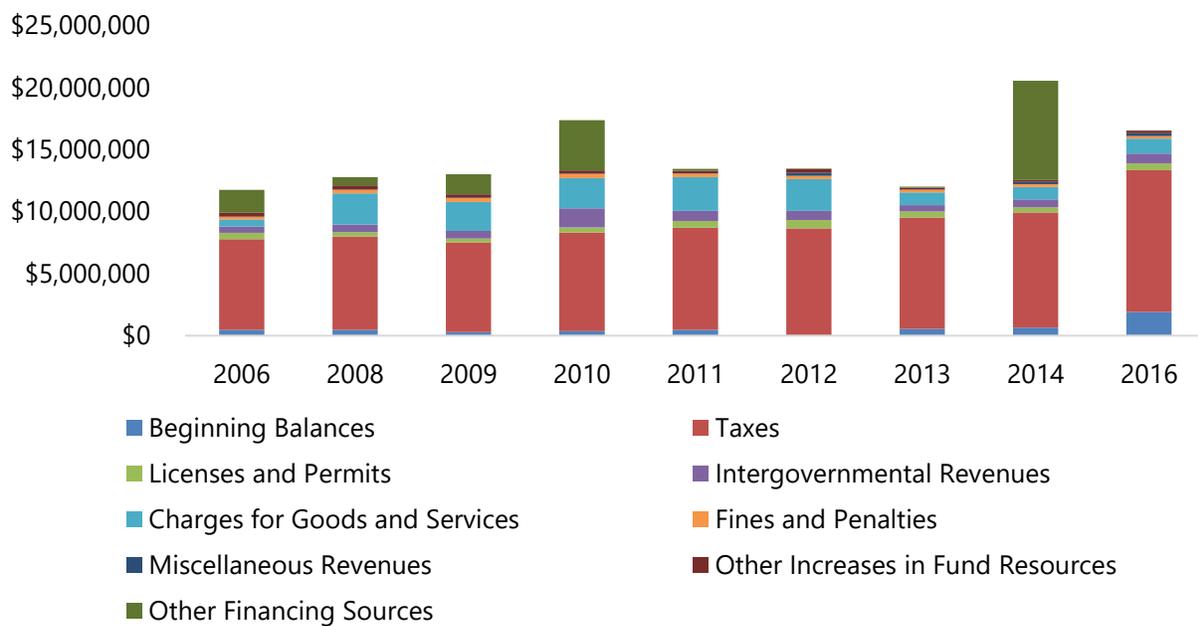
The following provided a **time-trend** overview of peer city revenues from 2006-16. Observations of note:

- Half of the cities reported multiple years with no, or very little beginning balances. Tumwater, Marysville, and Snoqualmie have grown beginning balances, even amidst economic downturn. In Tumwater, beginning balances are essentially “savings accounts” with already-identified future uses, such as deferred maintenance, infrastructure improvements, and emergency reserve purposes.
- Camas and Tumwater were the only cities without large infusions of “other financing sources” in one or more years (e.g. bonds or borrowing to finance general fund projects). See Arlington, as an example, in 2010, 2014.
- Until recently, intergovernmental revenues were proportionally larger in Tumwater than peer cities.



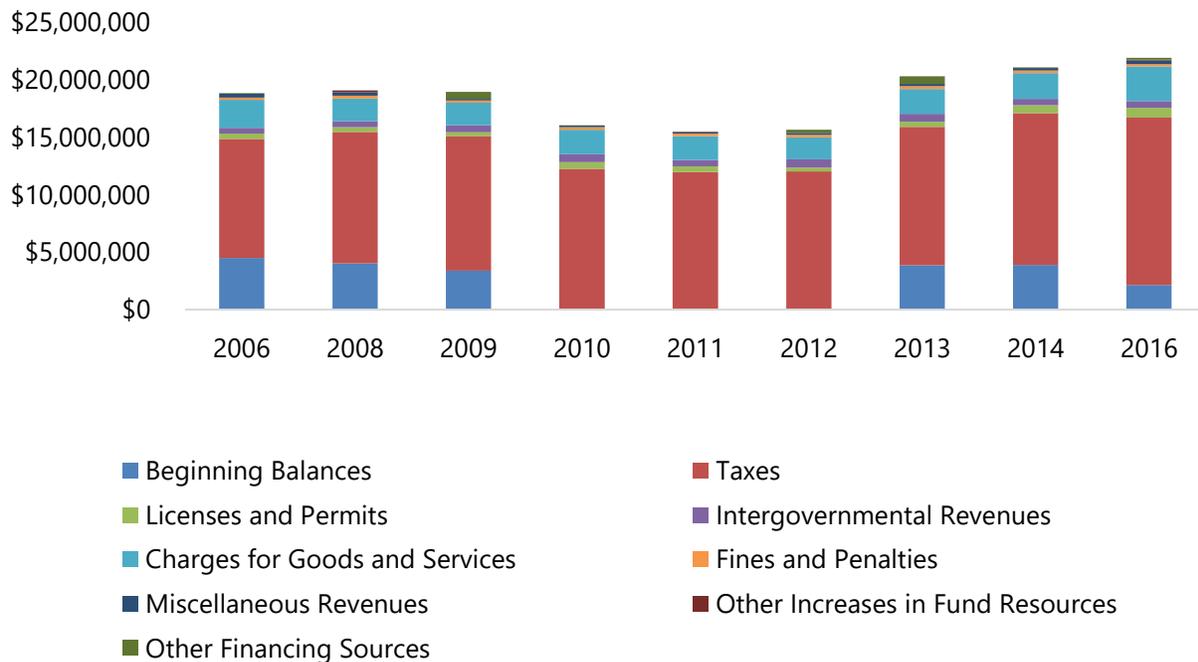
Source: City of Tumwater and J Robertson and Company, 2016

Arlington General Fund Resource Breakdown: 2006-2016



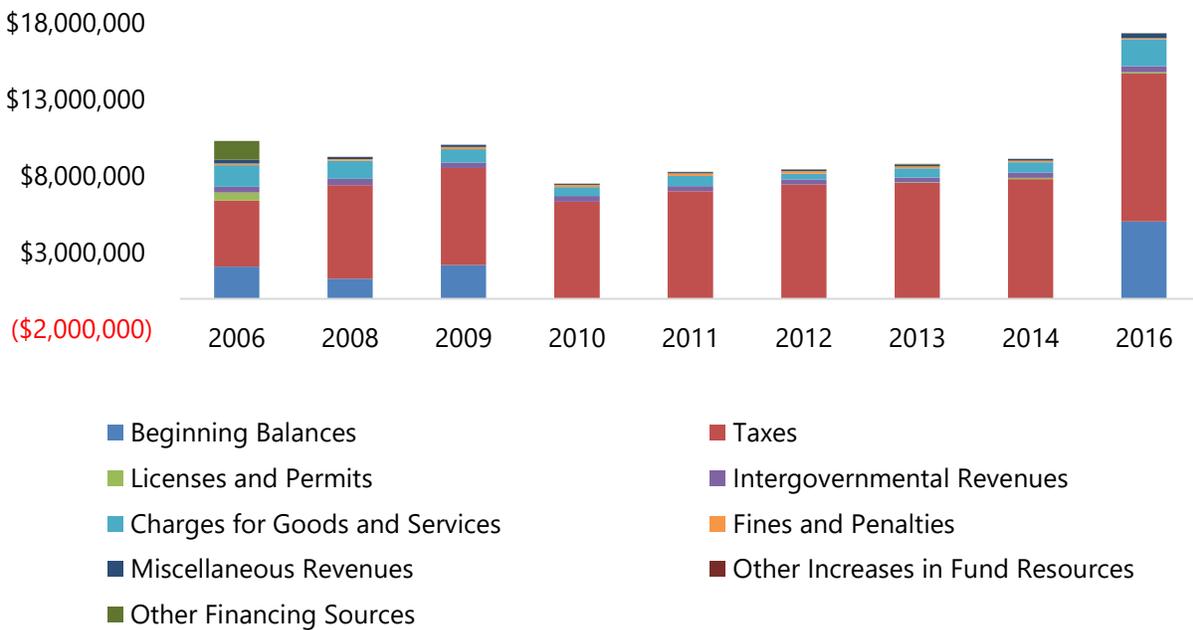
Source: City of Tumwater and J Robertson and Company, 2016

Camas General Fund Resource Breakdown: 2006-2016



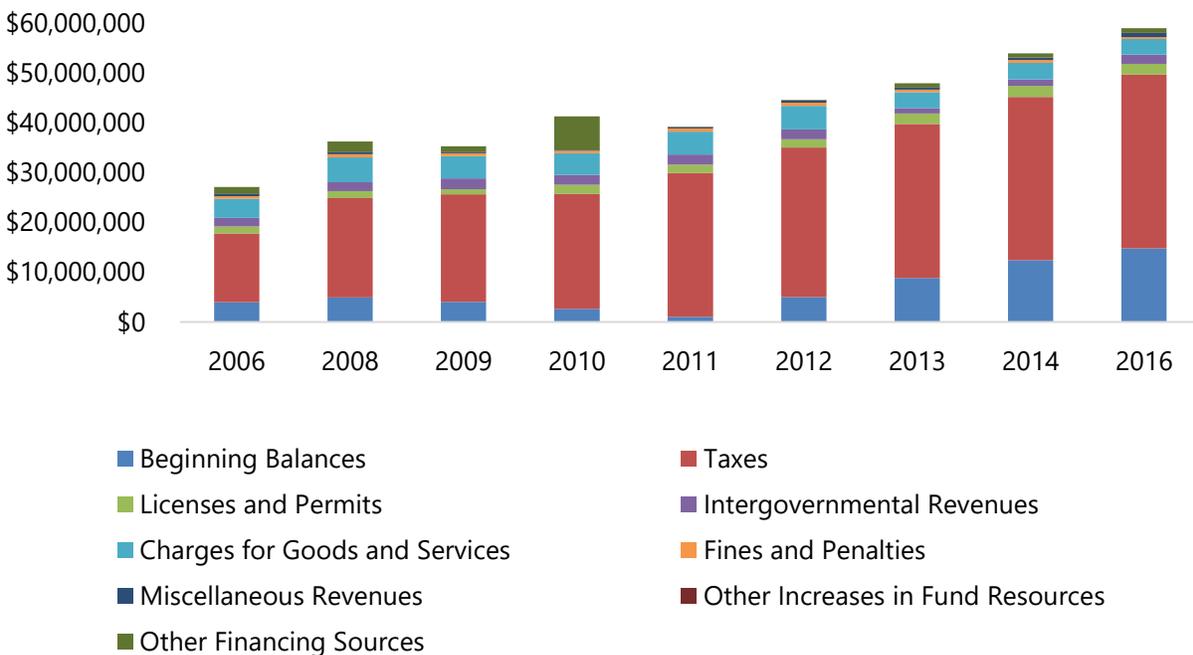
Source: City of Tumwater and J Robertson and Company, 2016

Covington General Fund Resource Break Down: 2006-2016



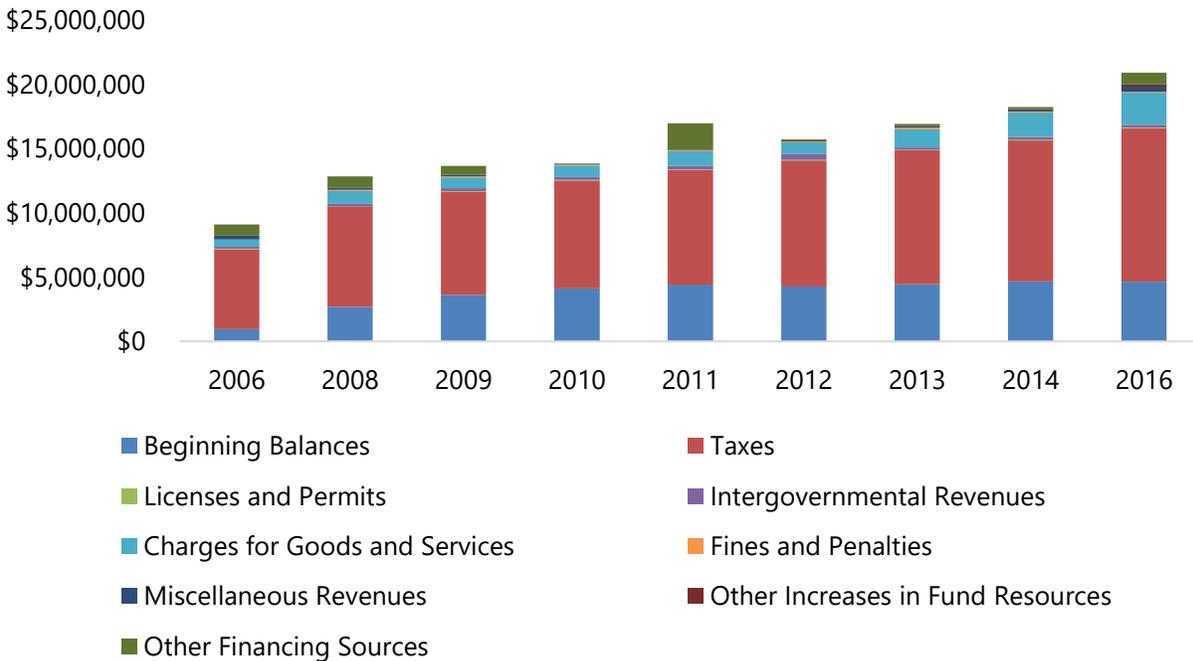
Source: City of Tumwater and J Robertson and Company, 2016

Marysville General Fund Resource Breakdown: 2006-2016



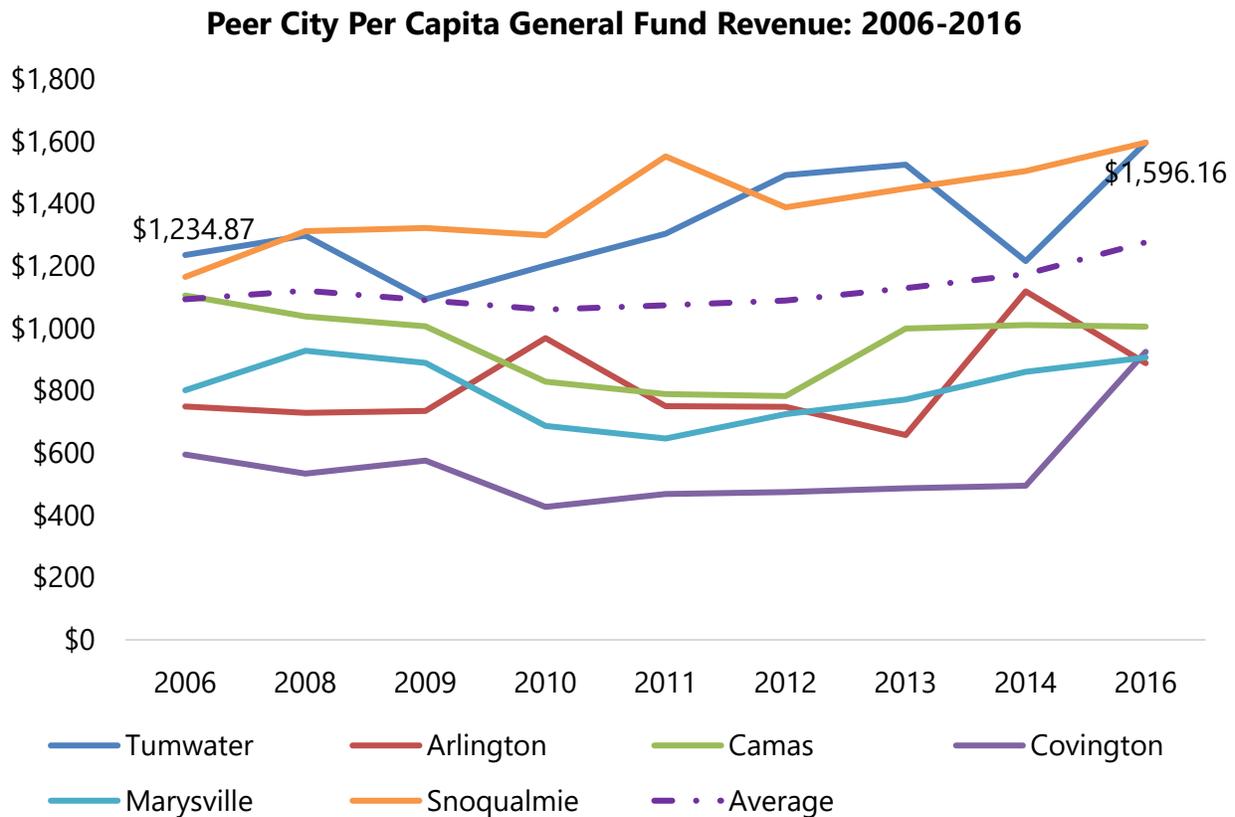
Source: City of Tumwater and J Robertson and Company, 2016

Snoqualmie General Fund Resource Breakdown: 2006-2016



Source: City of Tumwater and J Robertson and Company, 2016

Another way to assess relative performance is via **per-capita revenues**. The following graph shows how Tumwater stacks-up in the General Fund versus the peer communities. Tumwater has remained at or above average per capita revenues for the peer city cohort over the past decade. This is likely attributable to a high daytime workforce population and higher than normal per capita sales tax performance given the City's regional spending capture rate.



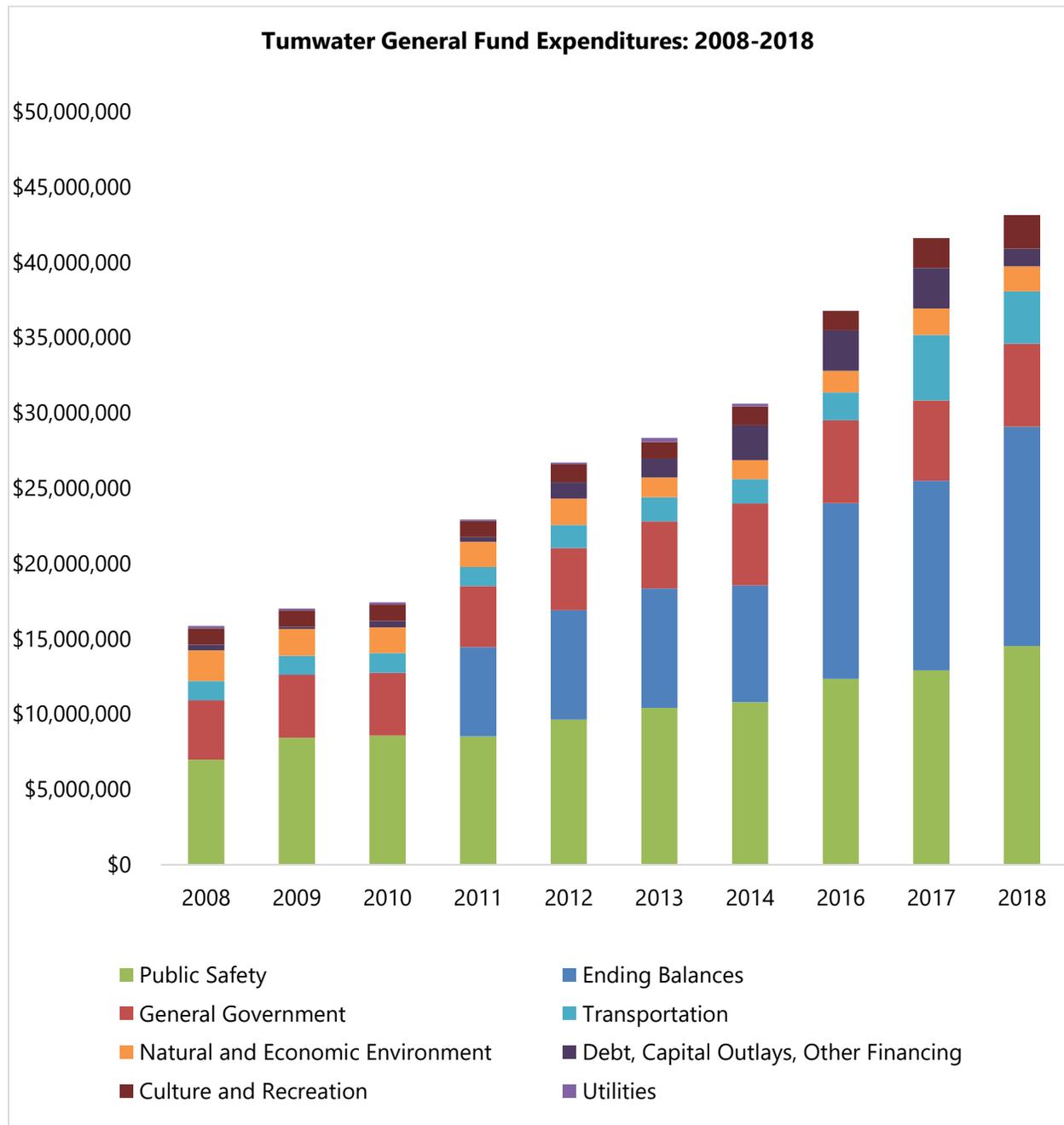
Source: City of Tumwater and J Robertson and Company, 2016

Expenditures - Tumwater

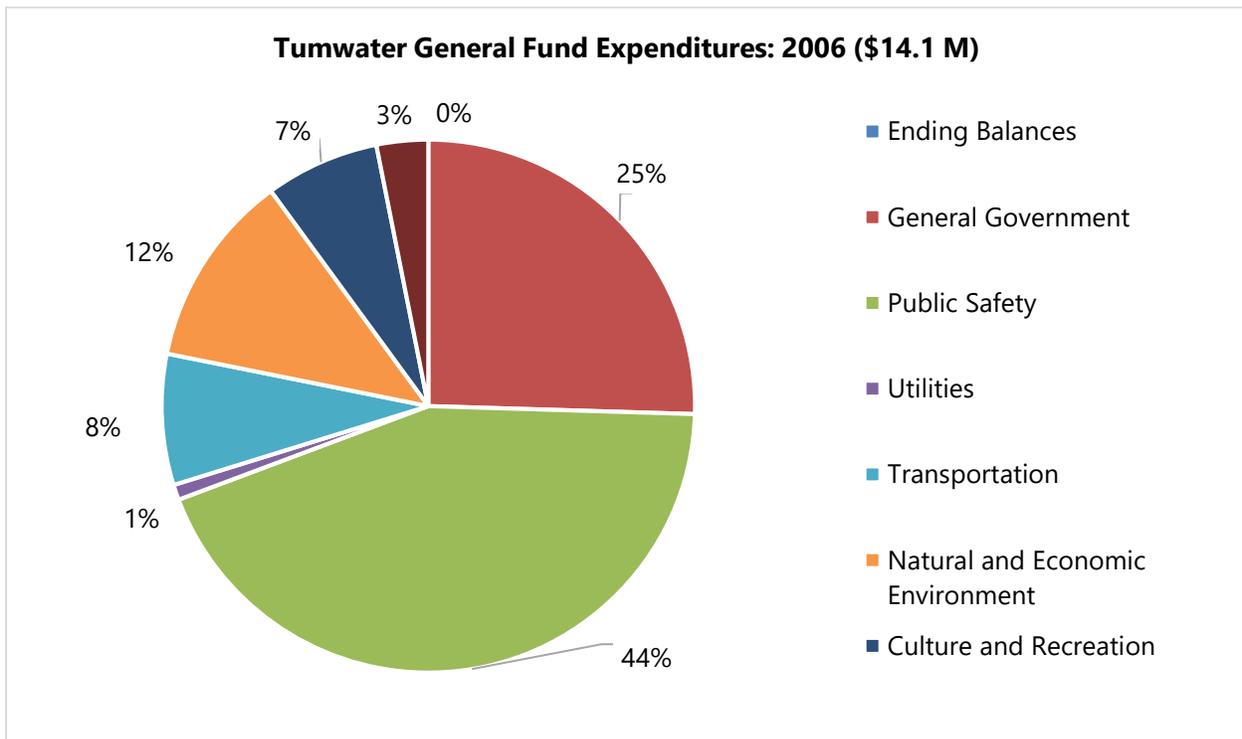
The City’s general fund expenditures have grown over the past decade, although at a smaller clip than revenue. In three of the past five years, the City has been able to contribute to several reserves that fund facility maintenance and emergencies. The single largest expenditure remains public safety followed by general government. Other notable trends include:

- Spending in the natural and environmental category had dropped slightly and increased almost commensurately in culture and recreation, although these areas sometimes overlap.
- The beginning balance increase in 2016 has reduced, by default, the proportion of spending directed to general government and public safety seen in prior years.

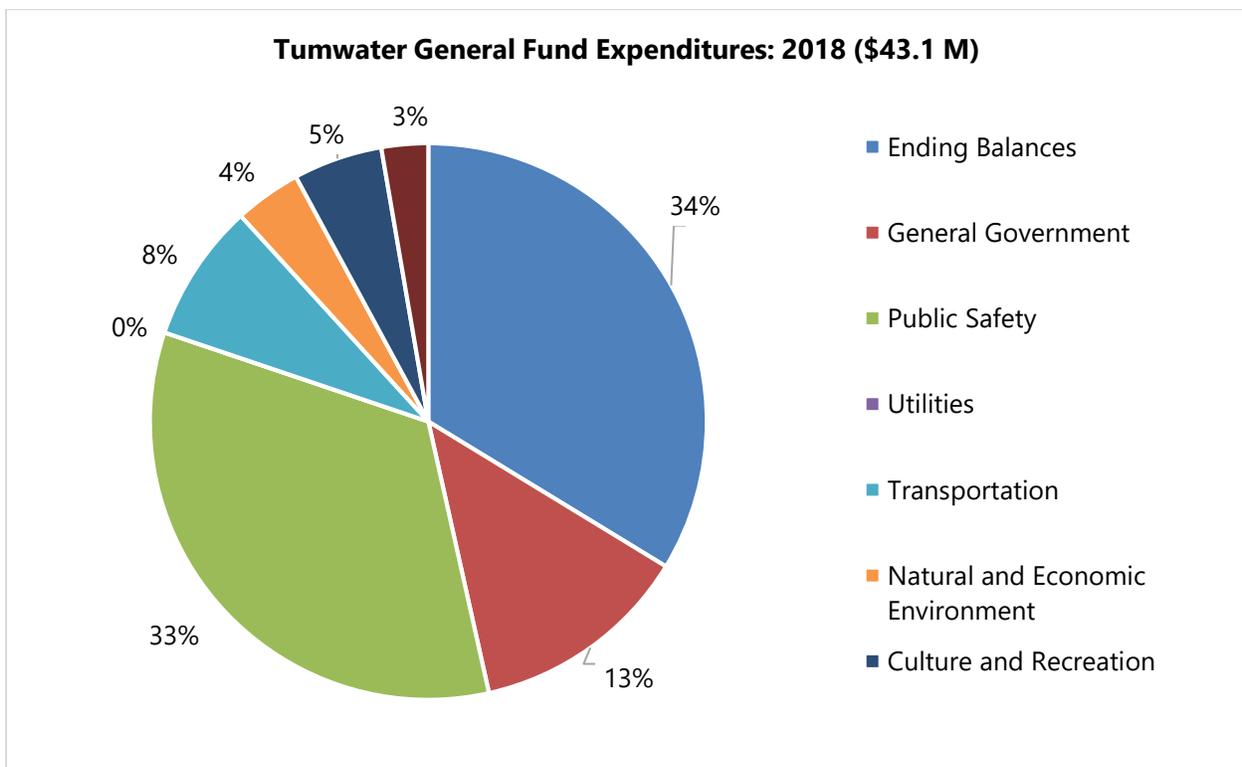
Debt, capital outlays and other financing has steadily increased as a percentage of the City’s expenditure portfolio since 2012. This primarily reflects increased spending on fire vehicles and the police station. Transportation spending has also grown at a slower pace.



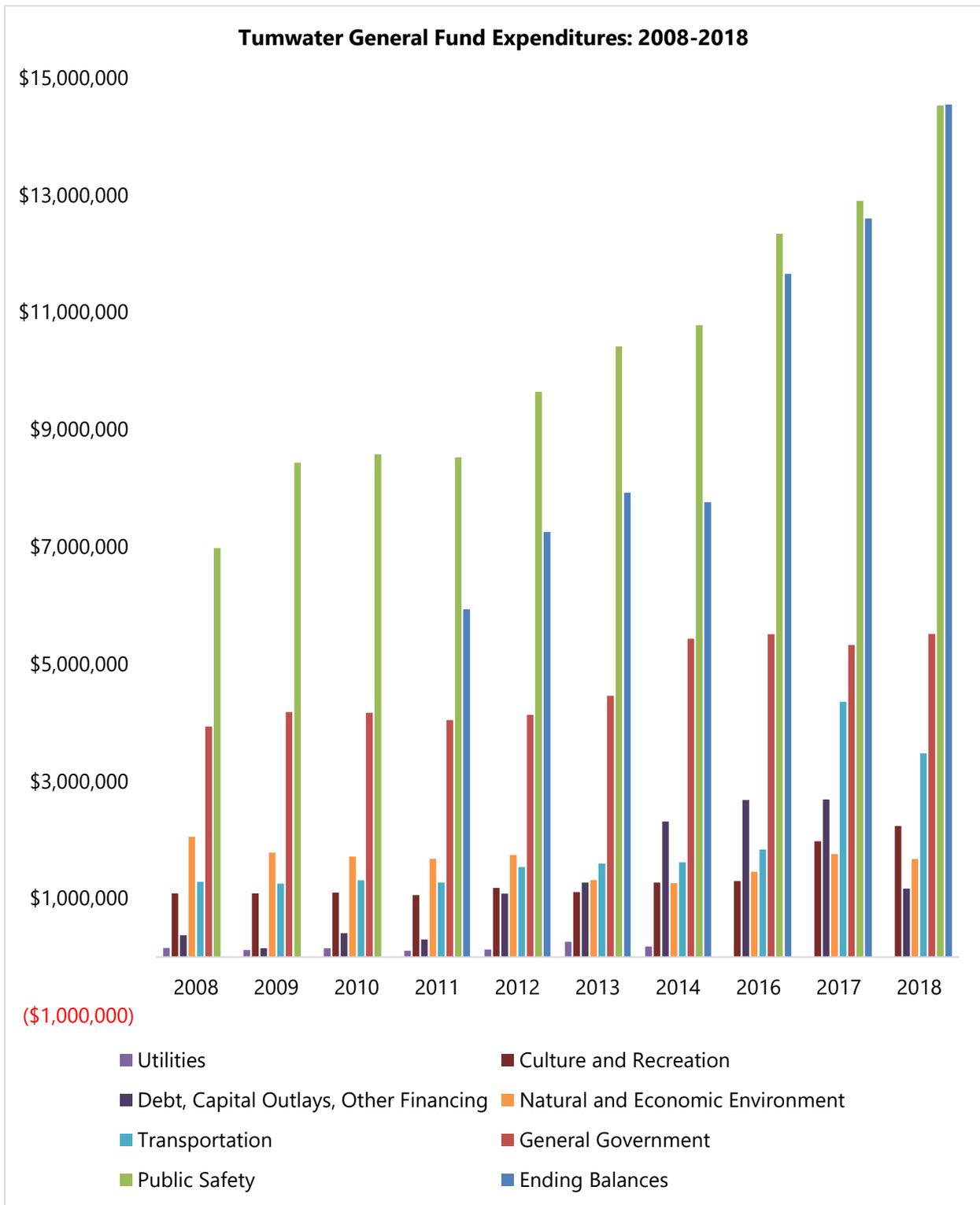
Source: City of Tumwater and J Robertson and Company, 2018



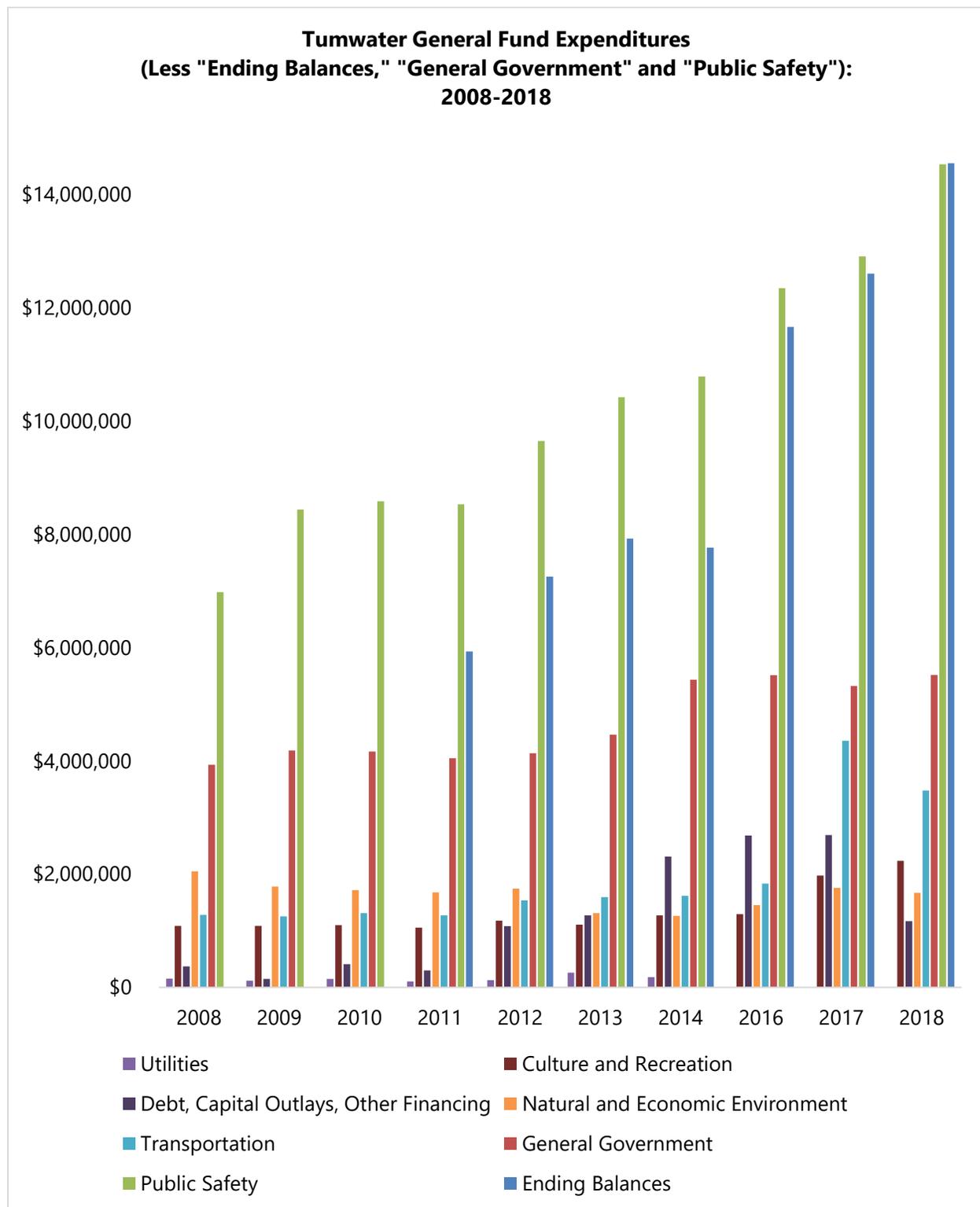
Source: City of Tumwater and J Robertson and Company, 2018



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Source: City of Tumwater and J Robertson and Company, 2018

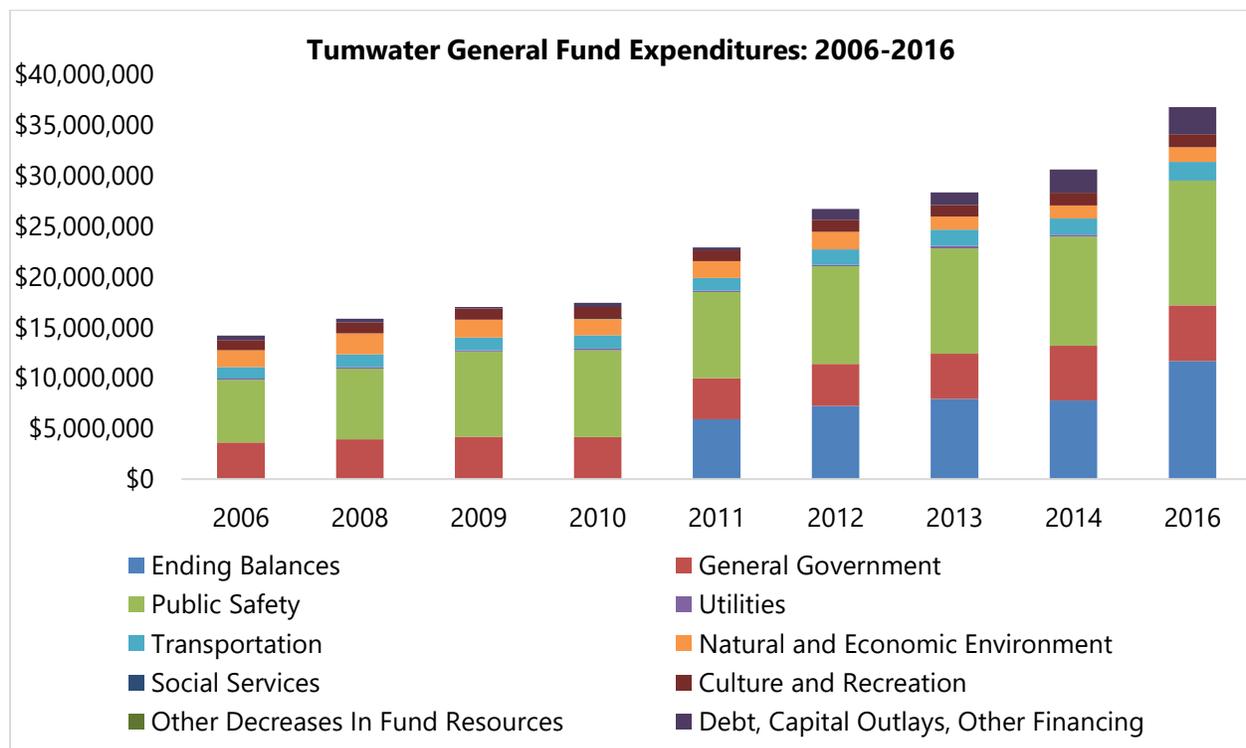


Source: City of Tumwater and J Robertson and Company, 2018

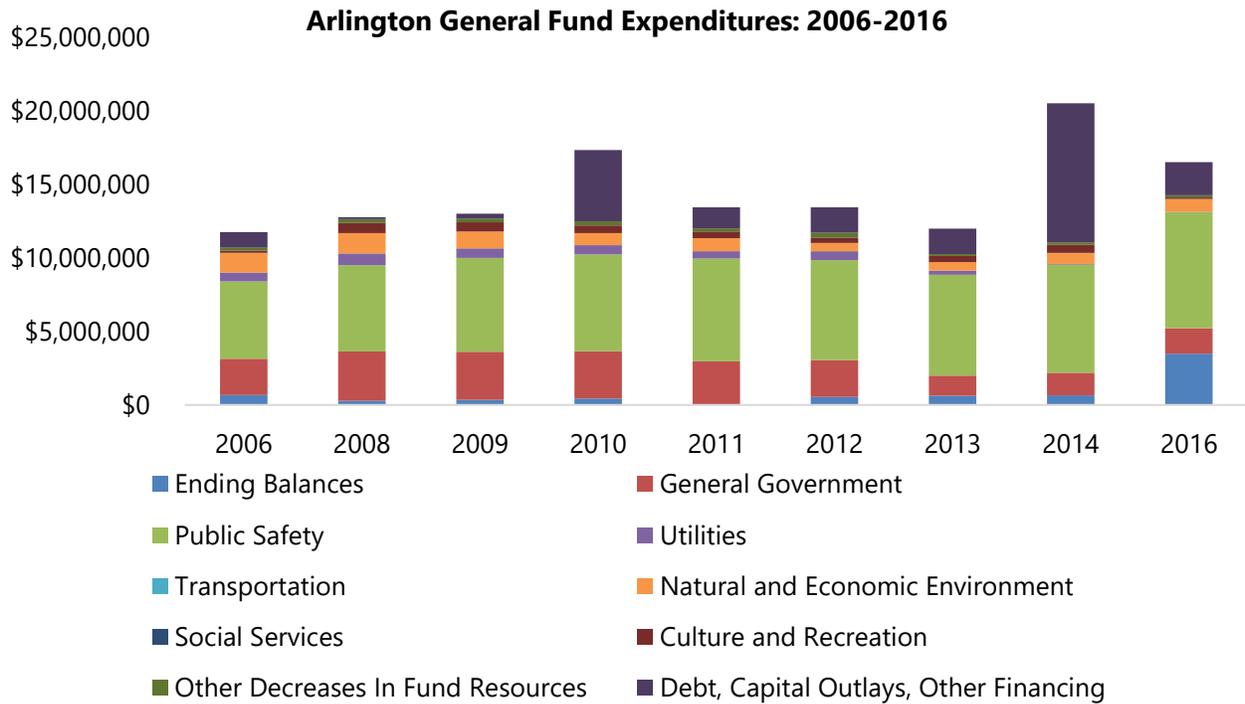
Expenditures – Peer City Comparison

The following provides a **time-trend** overview of peer city expenditures, 2006-16. Observations of note:

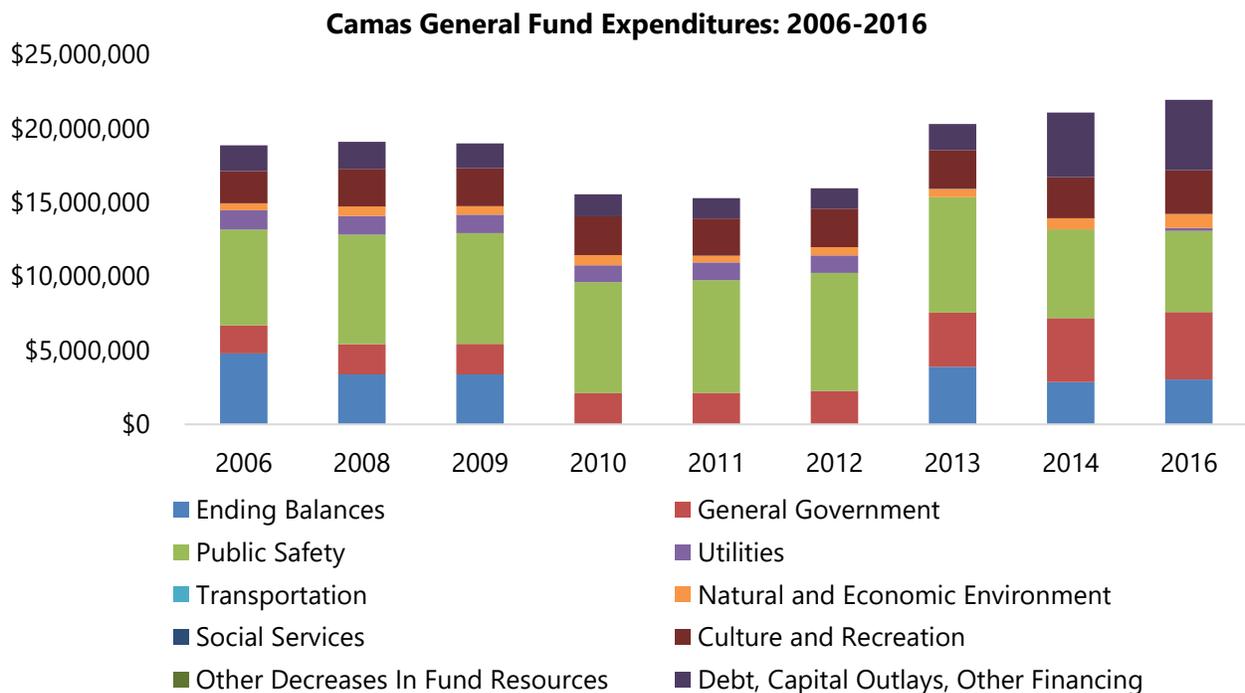
- Tumwater has sustained low levels of debt, capital outlays, and other financing relative to peer cities, and stronger growth in ending fund balances.
- Outside of recent ending balances, Tumwater’s spending by category has remained remarkably stable compared to Camas (general government up) and Arlington (general government down).
- Tumwater’s Transportation Benefit District is separately funded.



Source: City of Tumwater and J Robertson and Company, 2016

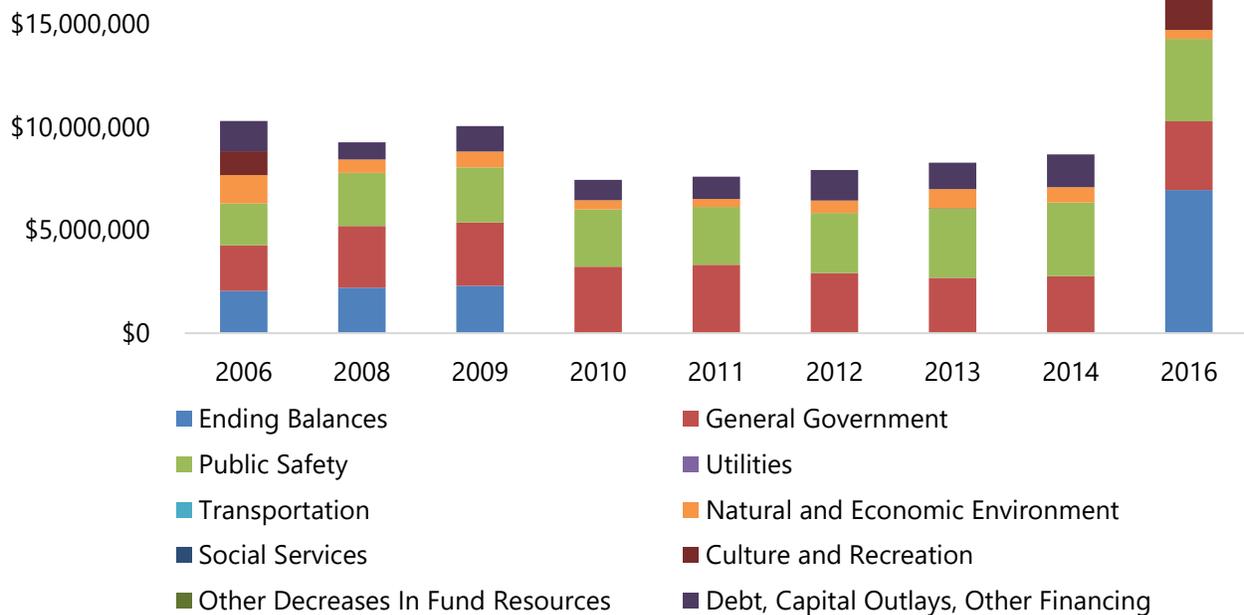


Source: J Robertson and Company, 2016



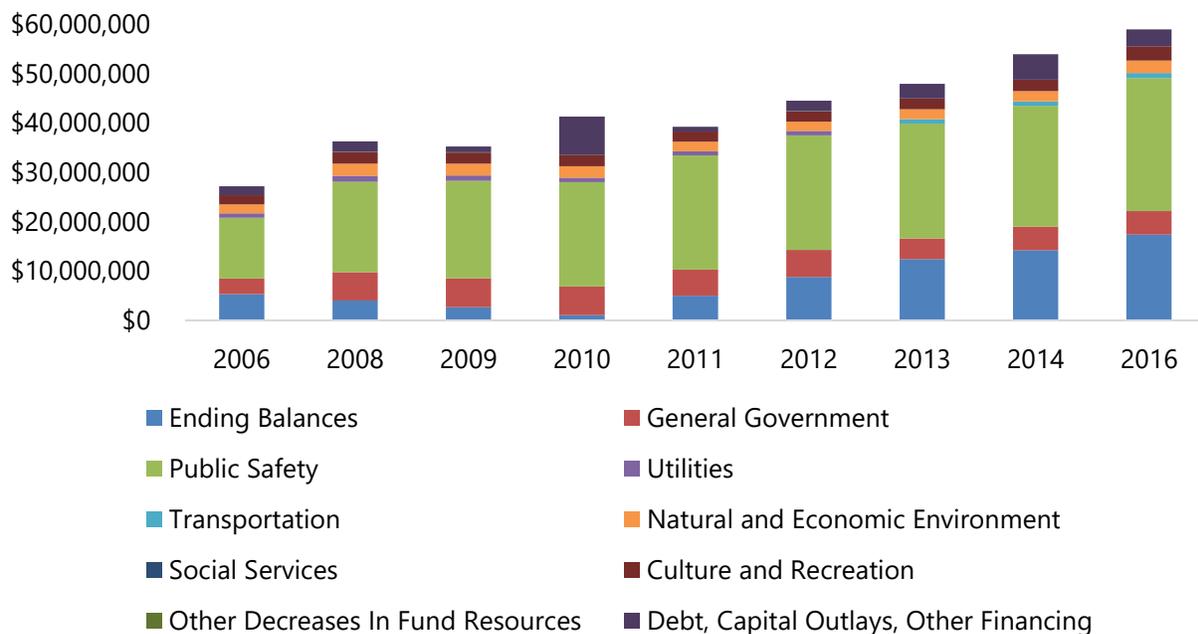
Source: J Robertson and Company, 2016

Covington General Fund Expenditures: 2006-2016

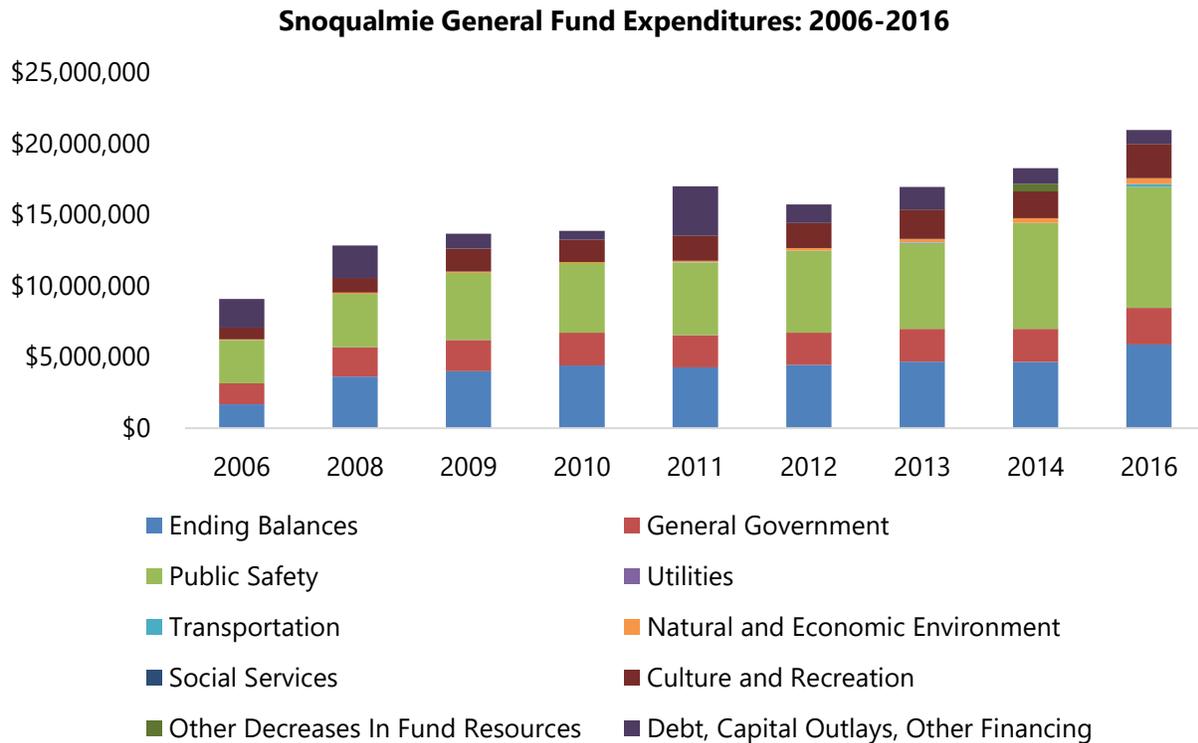


Source: J Robertson and Company, 2016

Marysville General Fund Expenditures: 2006-2016



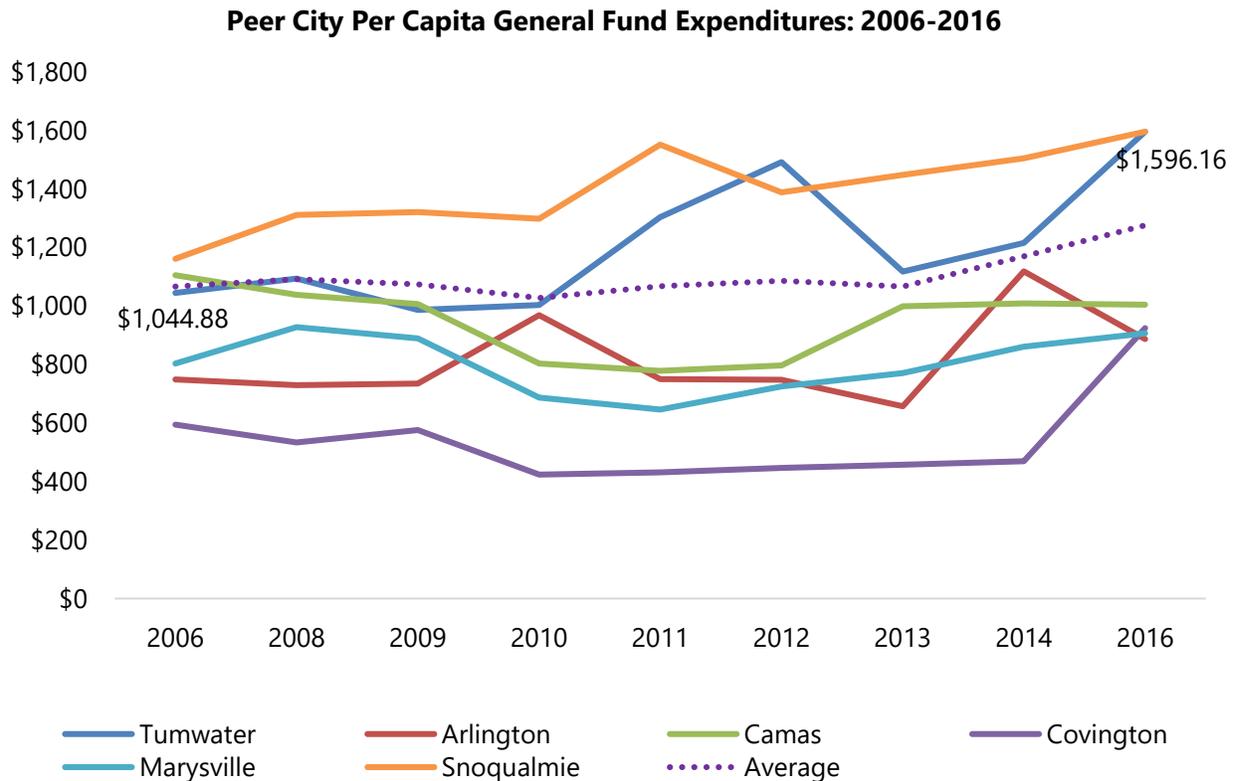
Source: J Robertson and Company, 2016



Source: J Robertson and Company, 2016

Another way to assess relative performance is via **per-capita expenditures**. The following graph shows how Tumwater stacked up in the General Fund versus the peer communities. Observations of note:

- Tumwater trailed only Snoqualmie in per capita general fund expenditures – notably, both cities also had the highest average ending balances, suggesting they were spending well under means.
- Snoqualmie and Tumwater had seen the most significant growth in per capita general fund expenditures over the past decade, followed by Covington. All three cities had significant commercial centers that likely allow them to attract regional retail revenues, which are distributed, in turn, for the benefit of a smaller permanent population base.



Source: J Robertson and Company, 2016

Future Fiscal Considerations

Balancing Revenues and Expenses

Sustained fiscal health also requires attention to the expense as well as the revenue side of the ledger. The following offers some fiscal-planning considerations as the City moves forward with an updated economic development strategy:

- Tax revenues** – The City has a broad menu of tax options, including property, sales, business and occupation, and utility taxes. Broad increases in taxes have not enjoyed political support, but targeted taxes for specific purposes have become a significant tool in the past 20 years. In Washington, there are numerous options for sales and property tax increases to fund specific initiatives from public safety to housing, transit, and transportation. In some cases, the corresponding expenditure for the revenue is limited by statute, such as a Transportation Benefit District, and in other cases, the authority is broad, but a municipality can voluntarily choose to commit the expenditures, such as the 2011 Tumwater levy lid lift for public safety. Revenue diversity is also important so that as one revenue source falters, others may be there to pick up the slack. As per

capita B&O and sales tax revenues have faltered in prior years, stronger property tax growth led by annexations and new construction has made a larger contribution.

- **Capital project investments** – including use of bonds or other debt financing. Major capital projects tend to occur periodically rather than continuously – in response to waves of growth or later for facility refurbishment and replacement. Although the City has been spending less on capital outlay than the peer cities reviewed during the study timeframe, it appears that recent development has triggered significant capital investment and that the City has been saving revenue to finance major transportation enhancements in the Capitol Way corridor. A powerful tool to encourage and facilitate private investment in the community is investment in the infrastructure to support it. Recent partnerships with the Toyota dealership and the Craft District are good examples.
- **Efficient service delivery** – for core as well as discretionary municipal services. The City has a relatively high per capita expense for general government, utility services, public safety, and transportation. In part, the added responsibility may come from having a substantial employment base that is partially tax-exempt, placing a greater share of the cost burden on residents and taxable business activity. If this is the case, it provides a rationale for other fees or charges that can cover those expenses. One significant factor is likely the City's large size: it supports 23,000 people in an area encompassing more than 18 square miles. This makes efficient service delivery difficult in some cases, such as utility lines, roads, etc. Regardless, the City should continuously pursue efficiency measures such as encouraging growth to occur in areas nearest to existing services and utilities.
- **Staying ahead of inflation** – a substantial challenge due to the 1% limitation on property tax (except for new construction). To date, the City has managed to increase the cushion between revenues and expenses. However, increasing costs associated with core service delivery, such as general government, public safety, etc., may result in service cuts to discretionary services, such as natural and economic environment, culture and arts, etc., if new revenues and efficiencies are not identified.
- **Changes to level of service** – While level of service changes are often driven by declining revenue scenarios; they can also be adjusted intentionally through policy choices based on evolving community priorities. In other words, City Council can and often must consider trade-offs between competing community priorities – number of parks versus emergency response time versus new capital

project initiatives, etc. In some cases, service levels can be maintained by developing new revenue or fee structures, where those changes are politically viable.

Economic Development and Fiscal Vitality

The Tumwater community has expressed a clear preference for pursuing economic development as a means for improving the City's fiscal health versus new taxes and fees. Economic development considerations include

- Economic development represents an opportunity to expand the base of those paying into the City for services through new development, additional retail sales, new business activity, and tourism. In most cases, this activity represents opportunities to increase revenues at a greater rate than the corresponding increases in services commitments, thus bringing net revenue to the City. Numerous studies across the country generally support the calculation that business and economic development yields more revenue than cost, while residential development often represents a net fiscal loss. Consequently, a job-rich community can yield homeowner benefits in the form of reduced taxes on residential use and a higher level of municipal service.
- Embedded in the point above, but it is worth singling out here, is the "flexible" nature of taxable sales. Property taxes are capped at 1% growth annually, grants and inter-governmental revenue are unpredictable (and declining), and Washington State has no income tax. That leaves sales tax as the primary elastic source of revenue available to cities to fund increasing service demands and new community priorities. In effect, cities can attract and support increased business activity as a means of growing revenue, so long as that activity is consistent with community quality of life goals and supportable from an infrastructure investment perspective, (growth pays for growth either directly or via a net present value calculation).
- Tailoring an appropriate economic development strategy depends on a clear understanding of revenues versus expenses associated with different types of employment development. This suggests a more nuanced approach than in the past, with each major economic development project, each investment, considered on its own merits. While the City should be hospitable to businesses that meet all applicable zoning and other regulatory standards, there is a case to be made for going the extra mile for projects demonstrating strong fiscal return on investment, as determined by a Net Present Value (NPV) assessment taking into consideration future wages, spending, and taxes vs. up-front City investments, incentives, or tax-abatement strategies.

- State facilities can be leased, provide redevelopment and employment in broader development areas, and bring other activities, such as other visitors to the community.
- Economic development resources and the ability to support infrastructure in conjunction with development are very limited and should be invested wisely. The City should focus investment in target areas, using it to deliver jobs and tax base, but also achieve other City Goals. Investment should target areas like the Capital Boulevard and Brewery District that have been identified as needing redevelopment, or the brewery property where development has been targeted, or the Warehouse and Craft Districts where development supports overall marketing and community image Goals. Targeted redevelopment can also improve transit utilization, remedy nuisance properties, and provide additional housing, including affordable housing.

Recommendations

The following recommendations focus on ways to incorporate fiscal vitality in the City's updated Economic Development Plan.

1. Seek development yielding clear fiscal benefits to the City:
 - The size and quality of new buildings can have short (construction sales tax) and long-range (building valuation) revenue impacts for the City.
 - On-going retail sales tax revenue are directly dependent on high volumes of taxable sales – not just retail but also from many private service businesses.
 - Business and occupations tax is also directly related to gross sales receipts – applicable not just to retail and for-profit service uses but to a full range of industrial uses.
 - Consider "in-lieu" fee structures for tax-exempt uses that affect City services.
2. Seek development that if not fiscally beneficially in the short-term, will show merit because of the way it helps achieve other City Goals in transit, housing, partnerships, and redevelopment. The brewing-distilling center now under development is a prime example given the City's historic connection to that industry, partnership with South Puget Sound Community College and opportunities for emerging businesses.
3. Encourage or incentivize development that maximizes efficient delivery of municipal infrastructure and services. A challenge for the City in the years ahead will be to encourage infill with in-place infrastructure before building further out – to reduce cost for new infrastructure and on-going public services. With

environmentally constrained land, including those affected by the Mazama pocket gopher, this also suggests a priority for off-site mitigation to improve site utilization for easier to serve properties. It will also require close coordination with Thurston County and neighboring jurisdictions to re-shape the City's urban growth area potentially.

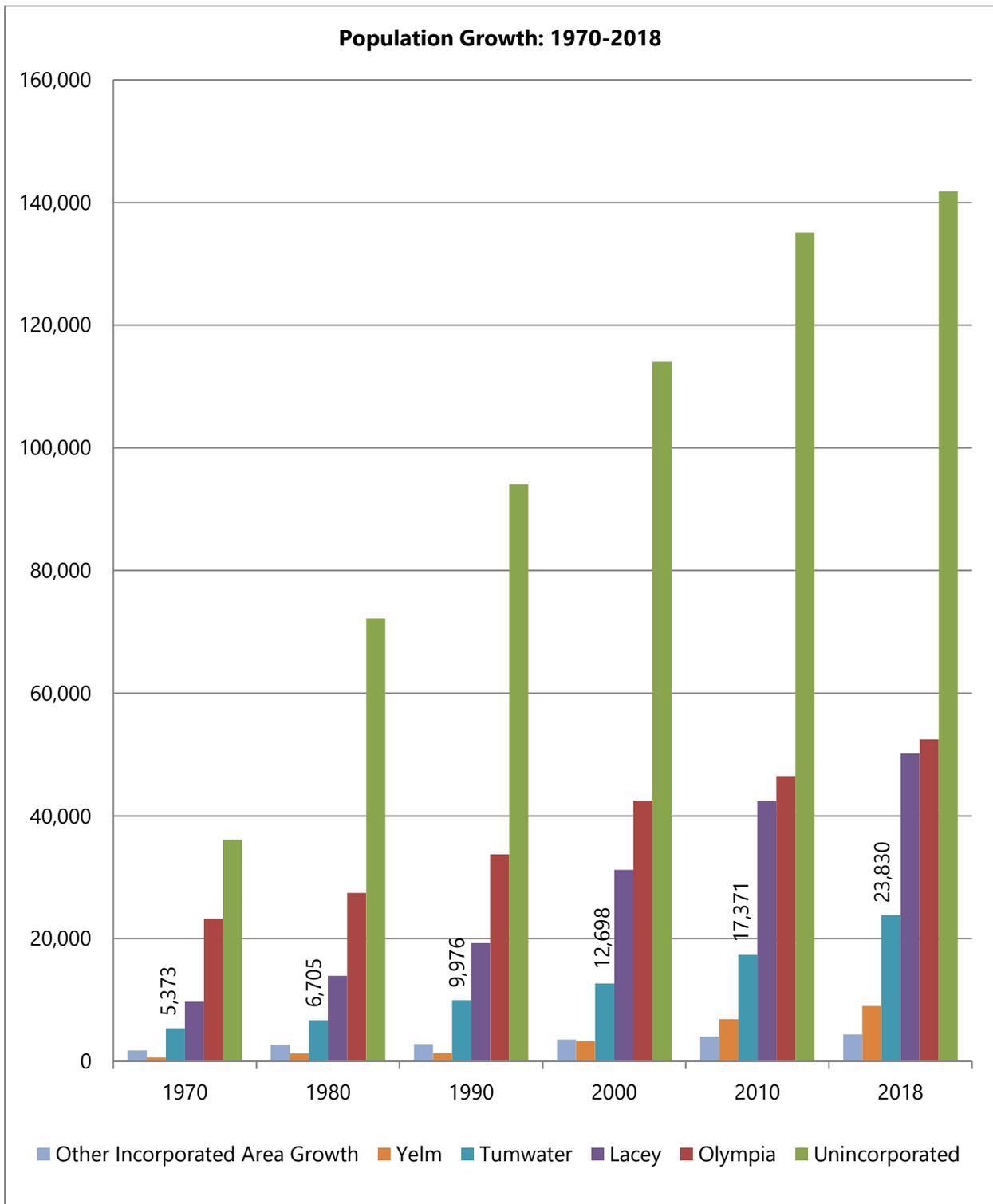
4. Prioritize the use of municipal non-maintenance funds (local and grants) to fund infrastructure projects that relate to fiscal stability/growth, leveraging other investment, and maximizing the achievement of other City Goals. The City should also, where possible, secure non-local sources of funding – especially for projects that are tax exempt and/or of regional/ statewide significance. This might occur through federal and state capital grants for infrastructure funding.
5. Utilize simultaneous long- and short-range economic development strategies that have immediate return to the City's strategic Goals, while also investing in long-term strategies including marketing, brand development, relationship building, and infrastructure.

ECONOMIC DEVELOPMENT PROFILE

The following summarizes key aspects of the City's demographics, housing stock, household income, employment base, and retail market position. The **Technical Appendix** includes additional details, as well as a summary of the sources of this information.

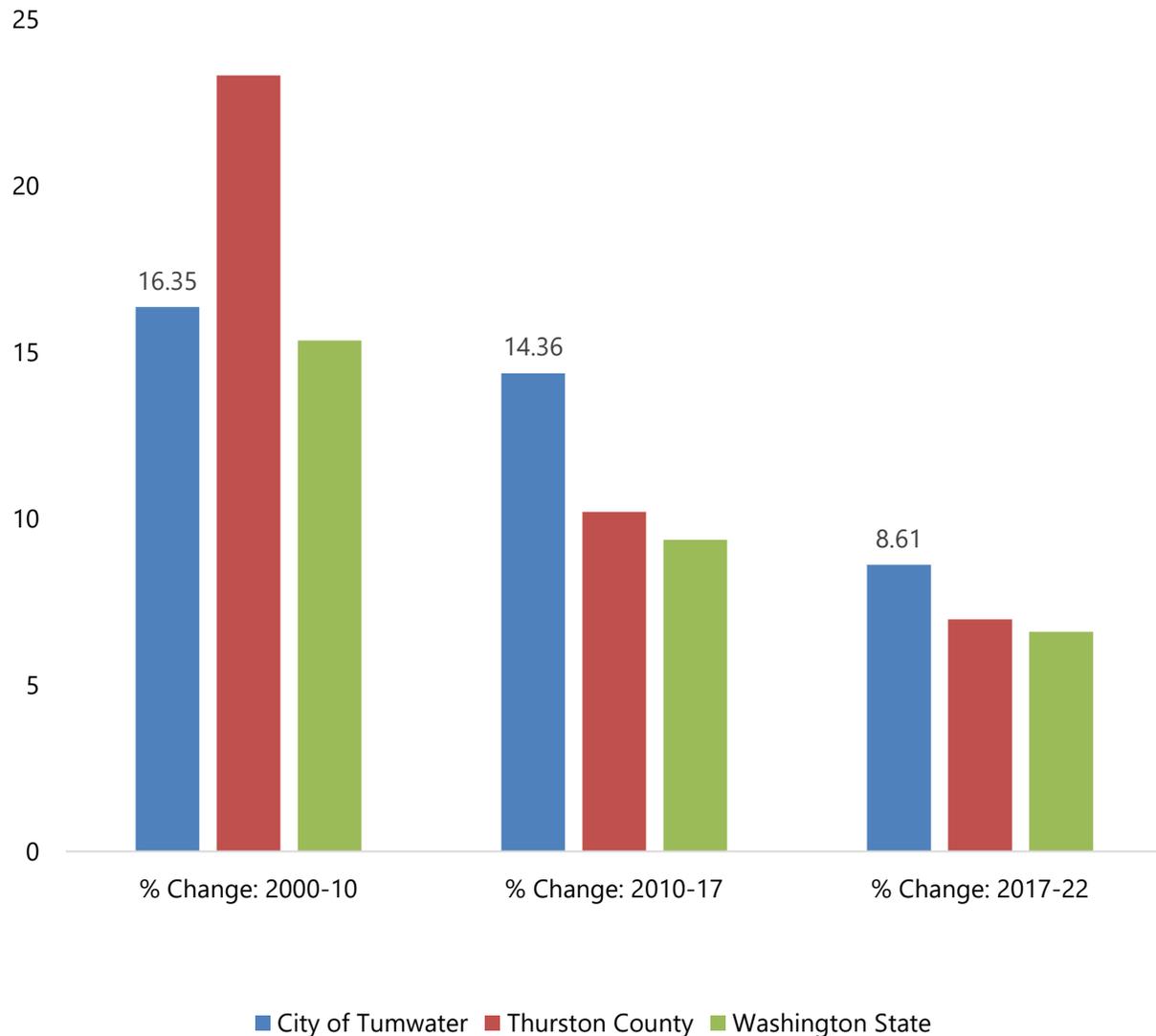
Basic Demographics

As displayed in the graph below, a relatively small percentage of Thurston County's population lives in the City. The most significant growth over the past fifty years has taken place in unincorporated portions of the County. Tumwater has grown at a faster rate than both the County and State since 2010, and it is projected to do so again over the next five years, but at a more moderate pace.



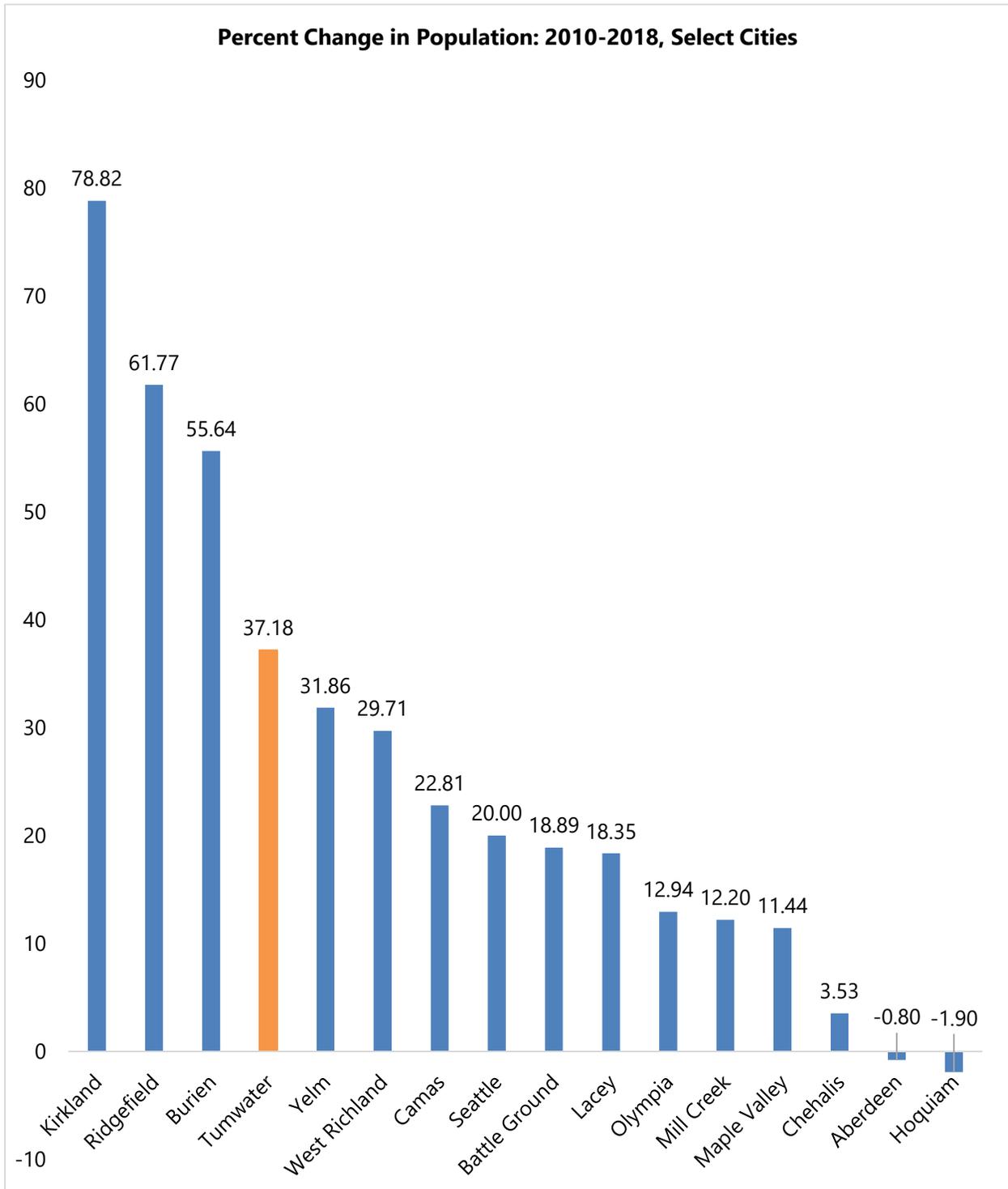
Sources: Washington Office of Financial Management, US Census, 2018

**Household Growth Change Over Time (%):
Selected Geographies, 2000-2022**



Source: *Environics, 2017*

By percent change, Tumwater has been the eighth fastest growing City in all of Washington since 2010, adding approximately 6,459 new residents. Like other fast-growing cities, the largest source of new residents has been annexation. The graph below and table on the next page shows the City's growth relative to other peer communities.



Source: Washington State OFM, 2018

Fastest-Growing Cities by % Change: 2010-2018

City	2010-2018 Percentage Change in Population	2010 Population Census	2018 Population Estimate	2010-2018 Numeric Change in Population	Population Change Due to Annexation	Net In-Migration	Percentage In-Migration
1 Kirkland	78.82	48,787	87,240	38,453	31,816	6,637	17%
2 Ridgefield	61.77	4,763	7,705	2,942	16	2,926	99%
3 Burien	55.64	33,313	51,850	18,537	14,292	4,245	23%
4 Airway Heights	48.59	6,114	9,085	2,971	1,419	1,552	52%
5 Gig Harbor	44.82	7,126	10,320	3,194	14	3,180	99%
6 Kent	39.49	92,411	128,900	36,489	25,458	11,031	30%
7 Sammamish	38.64	45,780	63,470	17,690	11,566	6,124	35%
8 Tumwater	37.18	17,371	23,830	6,459	3,259	3,200	50%
9 Liberty Lake	36.87	7,591	10,390	2,799	0	2,799	100%
10 Bothell	35.08	33,505	45,260	11,755	6,801	4,954	42%

Population Change and Rank for Cities and Towns, April 1, 2010 to April 1, 2018.

Thurston was the 6th fastest-growing County in Washington, by % change.

Tumwater was the 8th fastest-growing City (with pop above 1,000) in Washington between 2010-2018.

Added over 5,800 people, 50% of which were new in-migrants vs. annexations.

Source: Washington State OFM, 2018

Tumwater has an average household size of 2.29 and an average family size of 2.92. Just over 29% of households have at least one child under the age of 18, and just over 24% have at least one senior.

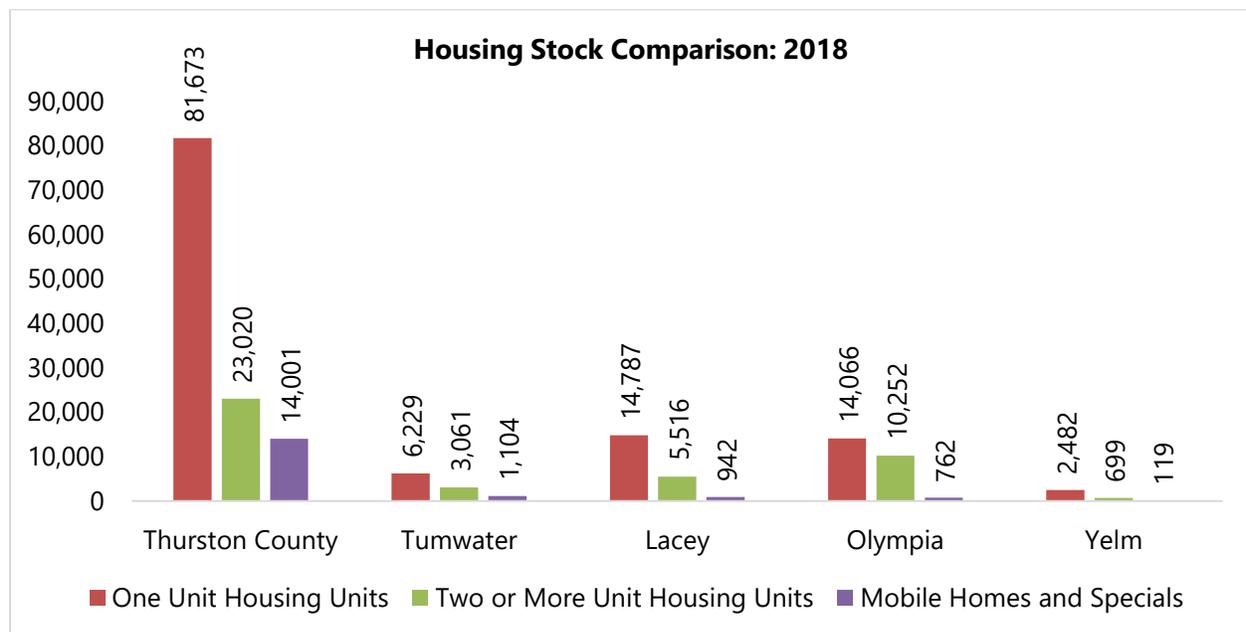
Additional Demographic Information

- **About one in ten Tumwater residents report having at least one disability.** Nearly 10% of residents are active duty or retired military, and approximately 5% speak a language other than English at home.
- **Tumwater residents have a median age of 37.1.** There are 14,669 people of voting age, and 2,667 seniors.
- **The City is predominately white (79%), but is also home to significant Asian, Latino, African-American, and other populations.** The percentage of Tumwater's population that is a minority racial group has grown from 14% in 2007 to 21% in 2017.
- **At 22 minutes in average, Tumwater residents have a shorter commute than their peers in Thurston County and Washington State.** Nearly 6,000 out of an estimated 8,337 workers travel 15 minutes or less, while nearly 1,000 workers travel 50 minutes or more. On the other side, Tumwater residents are less inclined to use alternative transportation. Eighty-two percent of Tumwater residents drive alone to their jobs, compared to 79% and 73% for Thurston County and Washington State respectively.

- Approximately one out of every five Tumwater residents is pursuing some form of education.** With respect to educational attainment, among the population age 25 or higher, 35% have earned a bachelor degree or higher and just 6% have not earned at least a high school diploma. Tumwater has a higher percentage of Master’s Degree holders, and a smaller percentage of people without high school degrees than both Thurston County and Washington State as a whole.

Housing

- There are an estimated 10,394 housing units in Tumwater as of 2018 (and more than 179,000 in all of Thurston County). Single-unit structures constitute 60% of the existing housing supply. The Thurston Regional Planning Council forecasts that Tumwater will supply nearly 23,000 units by the year 2040.
- Approximately 56% of Tumwater housing is owner-occupied, about 10% lower than the countywide average. At \$249,000, the value of owner-occupied housing in Tumwater is notably lower than the Thurston County and Washington State median (\$267,000 and \$293,000 respectively).
- While Tumwater home prices have increased significantly over time, they have lost a bit of ground to neighboring jurisdictions. Tumwater had the highest median price in 1990, but it has gradually slipped to “fourth place” in Thurston County due, in large part, to new home construction in other jurisdictions.

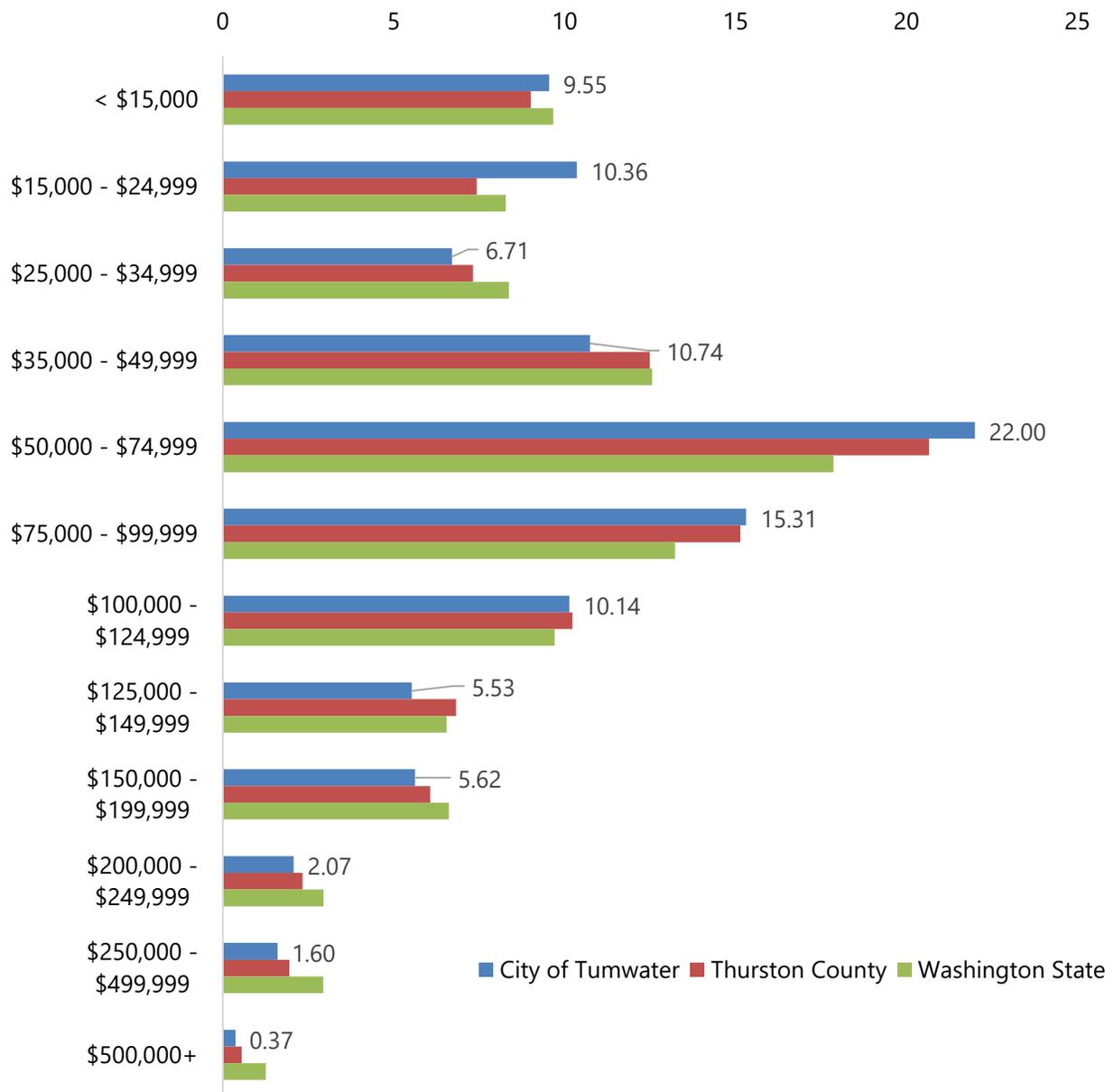


Source: Washington State OFM, 2018

Household Income

As shown in the chart below, Tumwater has more middle- and low-income earners than both the County and State. The strong middle-income levels are primarily attributable to State government employment.

Distribution of Household Income (%): Selected Geographies, 2017

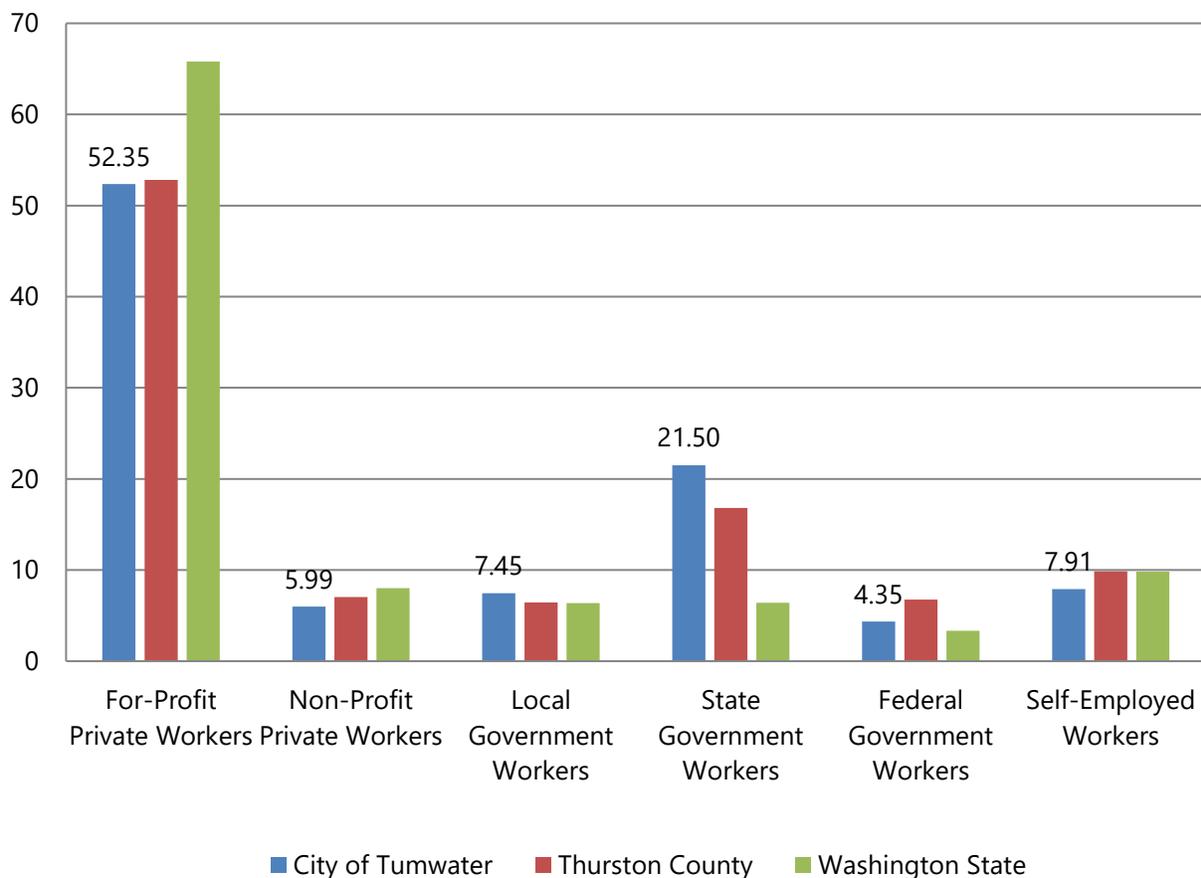


Source: *EnviroNics, 2017*

Employment

Tumwater has a higher proportion of local and State government workers compared to the rest of Thurston County and Washington State, and a lower percentage of for-profit and self-employed workers. Tumwater has about 9% more “white collar” and 5% fewer “blue collar” workers than the State on average. In other words, Tumwater employment is dominated by “office” occupations.

Employment by Class of Worker (%): Selected Geographies, 2017

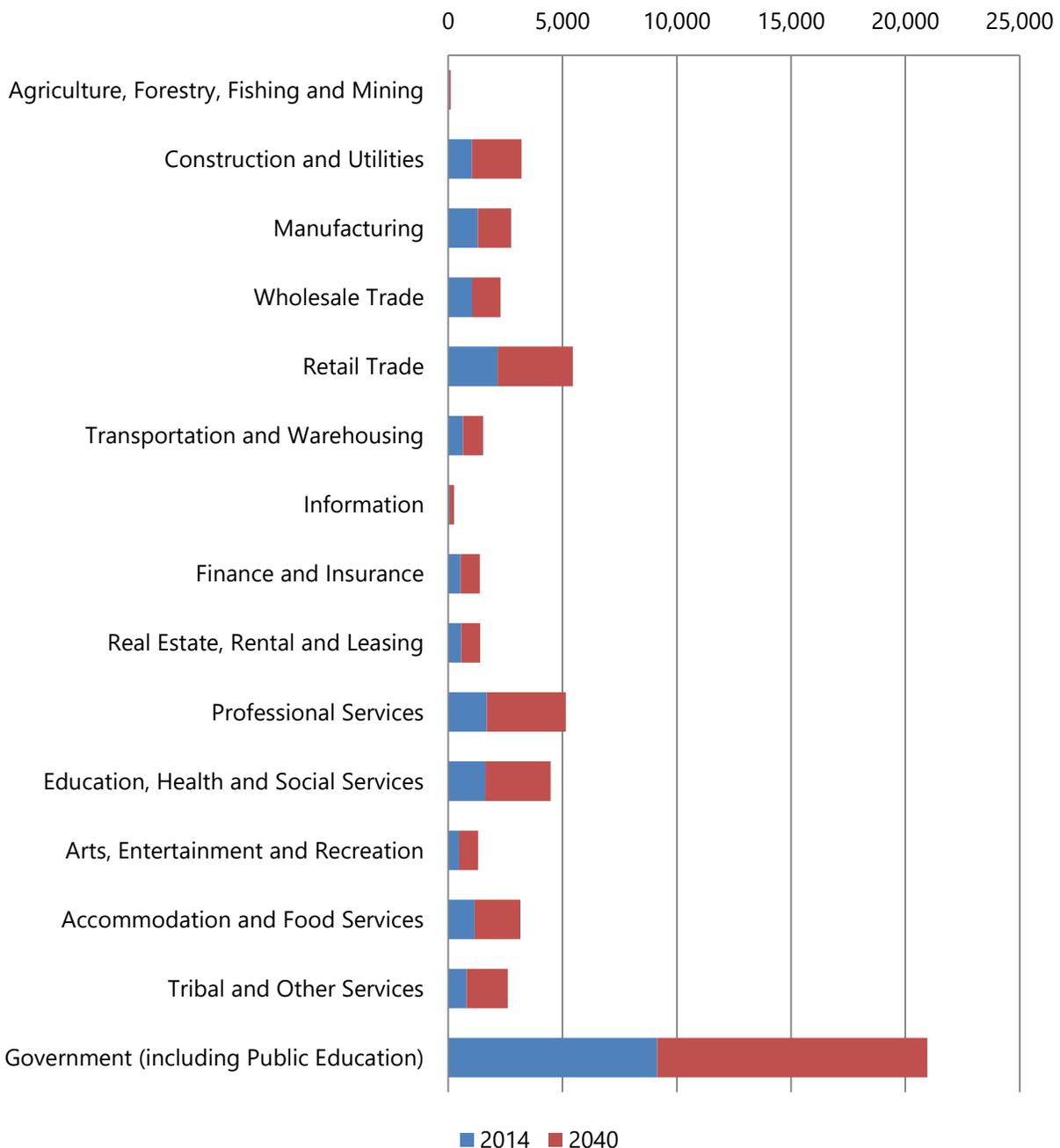


Source: *Environics, 2017*

Employment in Tumwater stabilized in the first quarter of 2013, after an extended period of decline. The slower recovery in Tumwater compared with the rest of Thurston County and the State average is most likely due to the lag local and State governments experience at the end of a recession, before tax revenues return to normal. Looking forward,

government is forecast to be the largest employment driver, followed by professional services, education, health care, and retail. In addition, in 2014 the City had more jobs on the manufacturing sector than any other jurisdiction in Thurston County and had nearly 40% of the manufacturing sector in Thurston County.

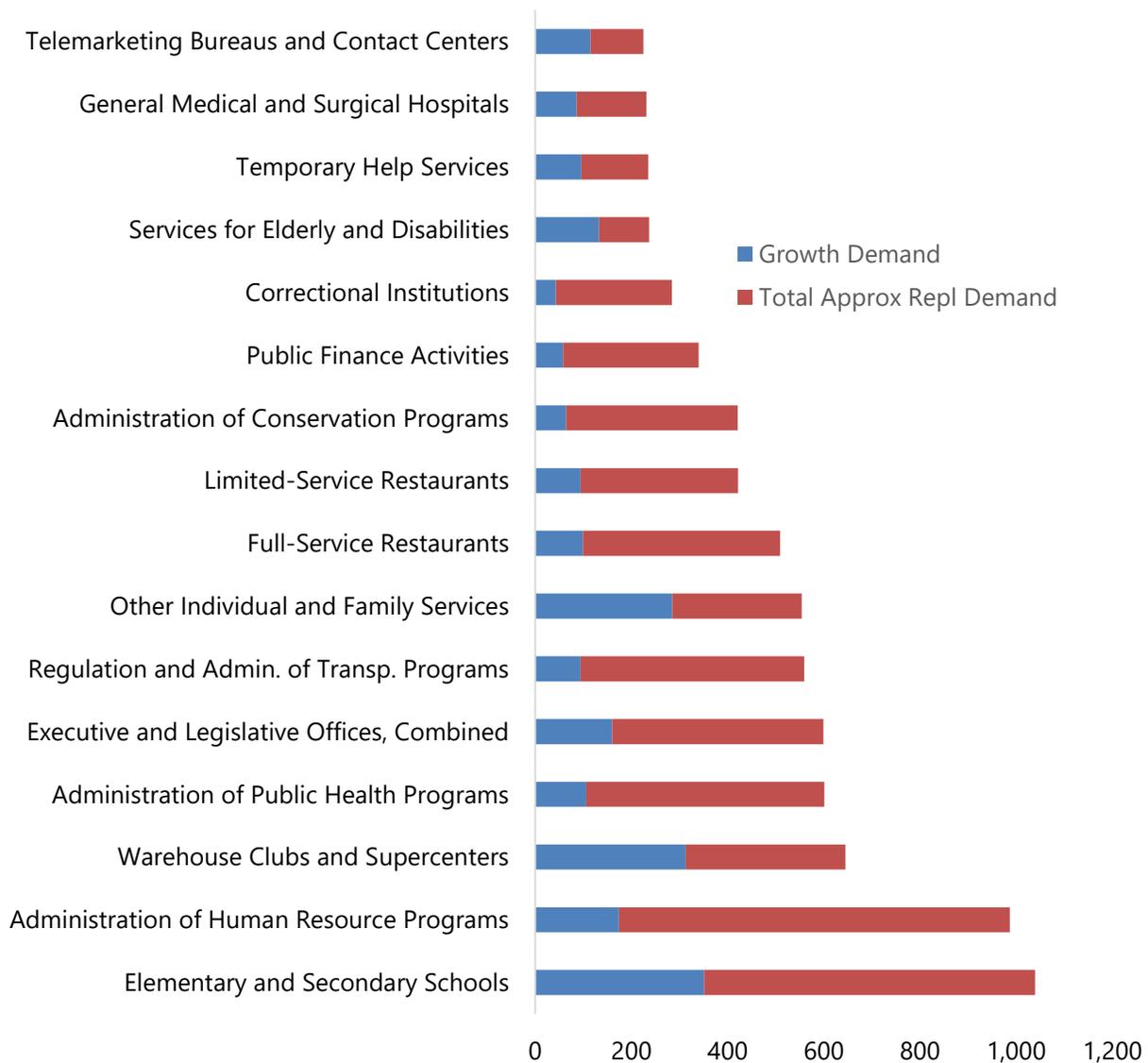
Tumwater Employment Forecast by Sector: 2014 vs. 2040



Source: Thurston Regional Planning Council, 2014

This chart shows the industries with highest forecast employment growth over the next decade. Projections are broken down into new employment generated by area growth and/or industry demand, and existing jobs that will be refilled following retirement or related workforce attrition.

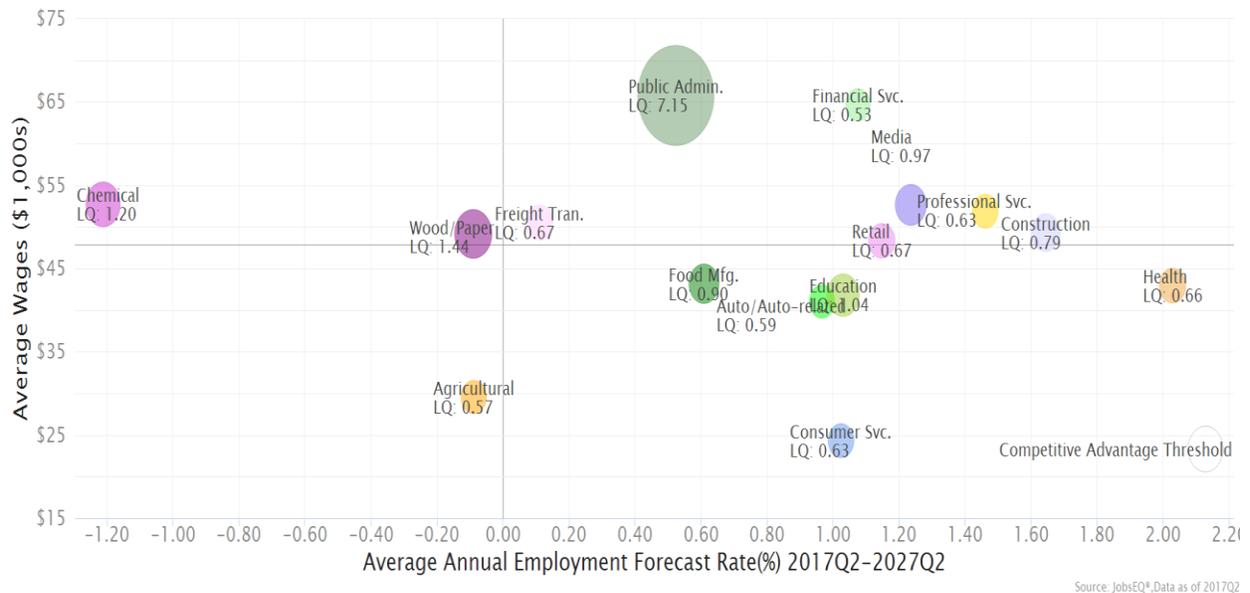
**Industries with Largest Forecast Employment Demand:
 Tumwater Zip Code Tabulation Areas, 2017-2027**



Source: JobsEQ, 2017

The chart below shows the relative size and wage impact of various Tumwater Zip Code Tabulation Areas industry clusters. Public Administration is both the wage leader and employment driver. However, other sectors appear to have strong employment growth ahead, including Financial and Professional Services, Retail, Construction, Health, Auto, and Food Manufacturing sectors.

Industry Clusters for Tumwater Zip Code Tabulation Areas as of 2017 Second Quarter



Source: JobsEQ 2017

Other Employment Information

- **The fastest-growing occupations by percent change include a variety of construction-related jobs**, primarily due to the increase in building associated with the end of the recession.
- **Following the end of the recession, the volume of total wages began to grow in the Tumwater Zip Code Tabulation Area, including a particularly strong spike starting in 2015.** Yet, the average annual wage has not grown as fast as it has nationally or statewide. The growth in Washington State wages is primarily driven by robust economic activity in King County. **Tumwater has more middle- and low-income earners than both the County and State.** The strong middle-income levels are primarily attributable to State government employment.

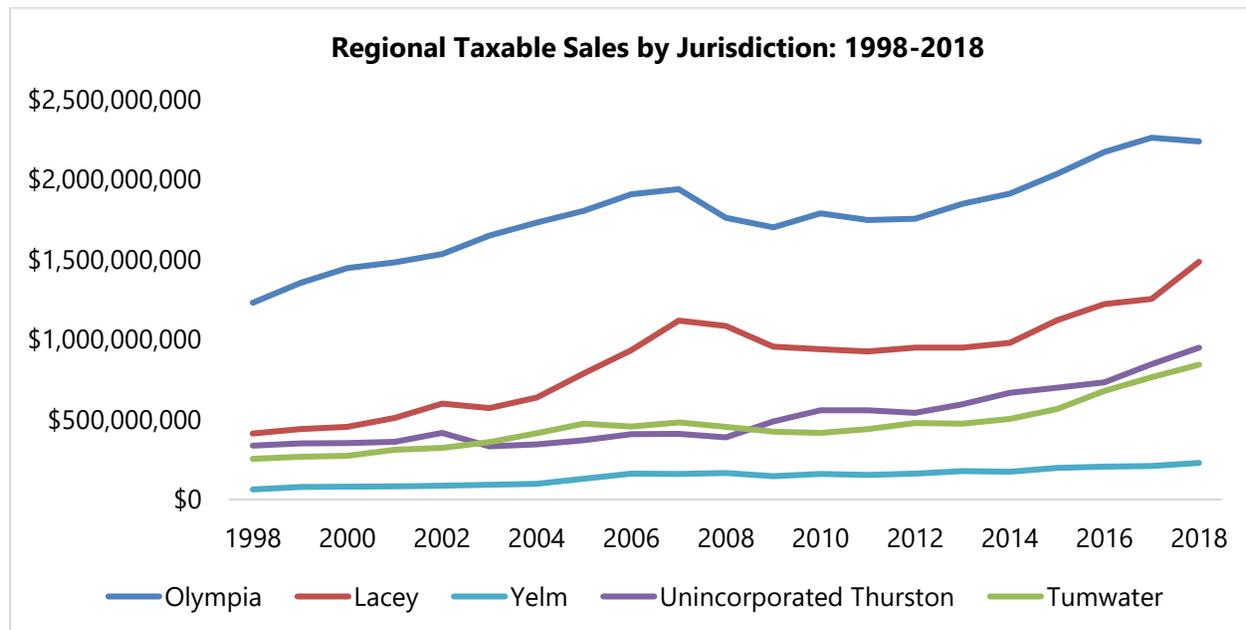
Implications for Economic Development Planning

- The City has a very diverse economic base that should be retained and strengthened.
 - The presence of a high number of State office workers and complementary services such as the contractors and consultants that support State offices is an economic development strength, particularly given their relative high income. Strategies can be developed to capture more spending by this population.
 - The City should seek to use the high educational levels of City residents to encourage the growth of more knowledge based employment opportunities.
 - Many of Tumwater’s State office workers do not live in the community; attracting them to live locally would increase local spending and reduce traffic.
-

Retail Market Analysis

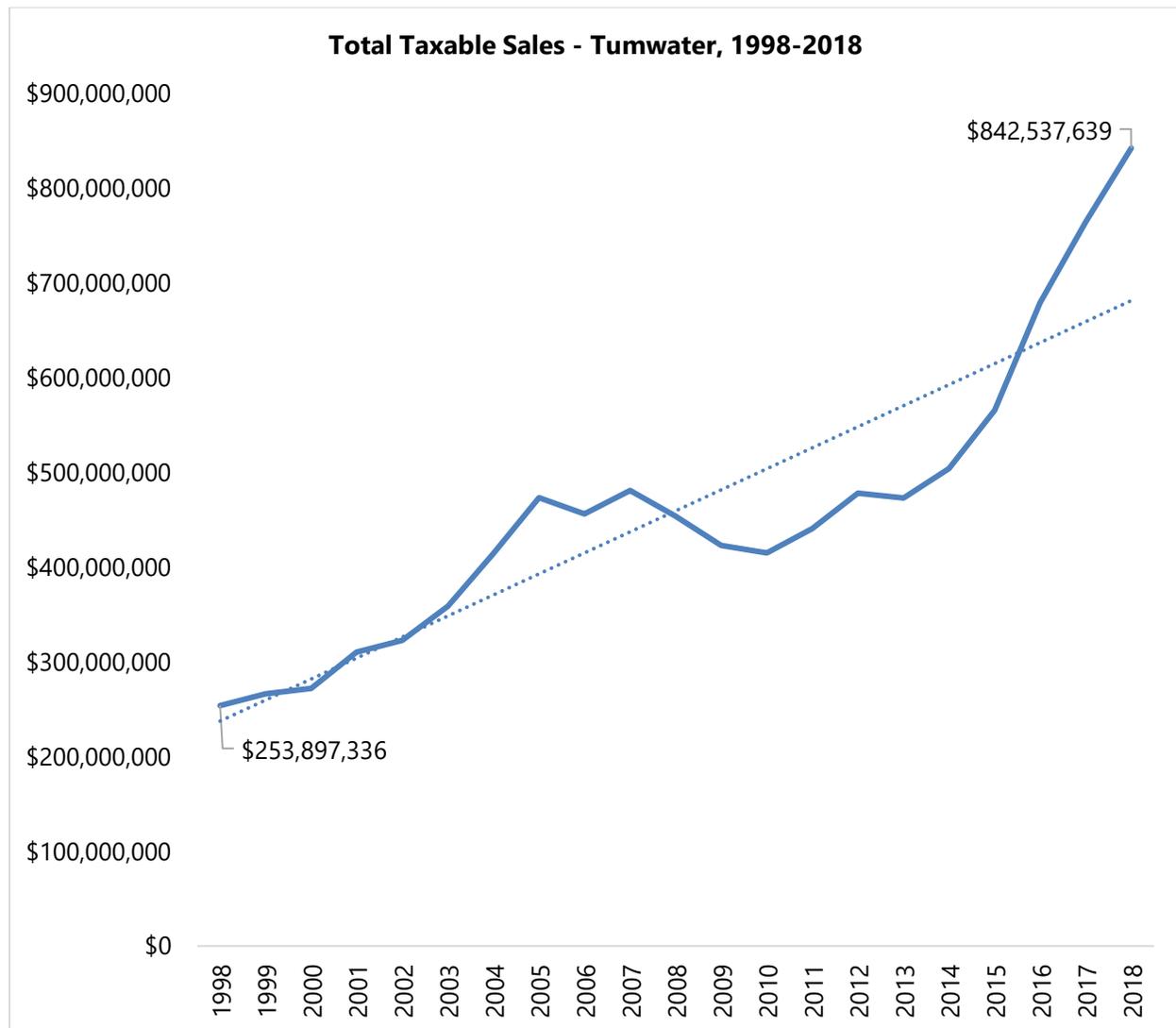
Tumwater is part of a three-City regional retail market, with Olympia, Lacey, and Tumwater serving residents of these cities as well as the population in the surrounding area. Given the rural nature of the region around this metropolitan area, some individuals and families travel long distances to do their shopping in one of these three communities.

The graph below shows Tumwater’s total taxable sales over the past twenty years relative to neighboring jurisdictions and unincorporated Thurston County.



Source: Washington Department of Revenue, 2018

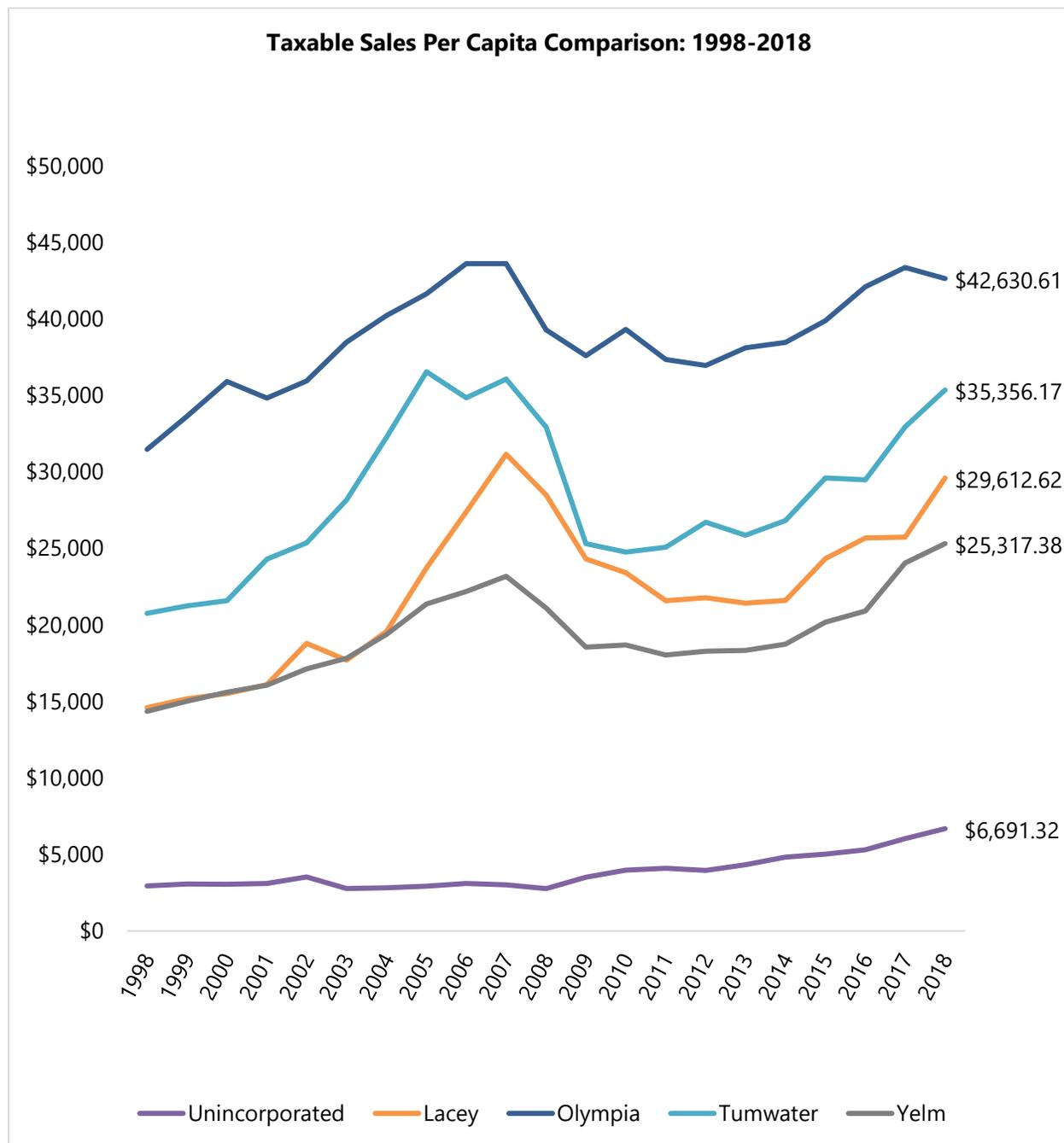
Tumwater experienced steady taxable sales growth from 1996 through 2005. Sales activity leveled off in 2006 and 2007, and then dropped during the great recession from 2008 through 2010. By 2015, sales activity had rebounded to normal trend growth, and then spiked considerably in 2016.



Source: Washington Department of Revenue, 2018

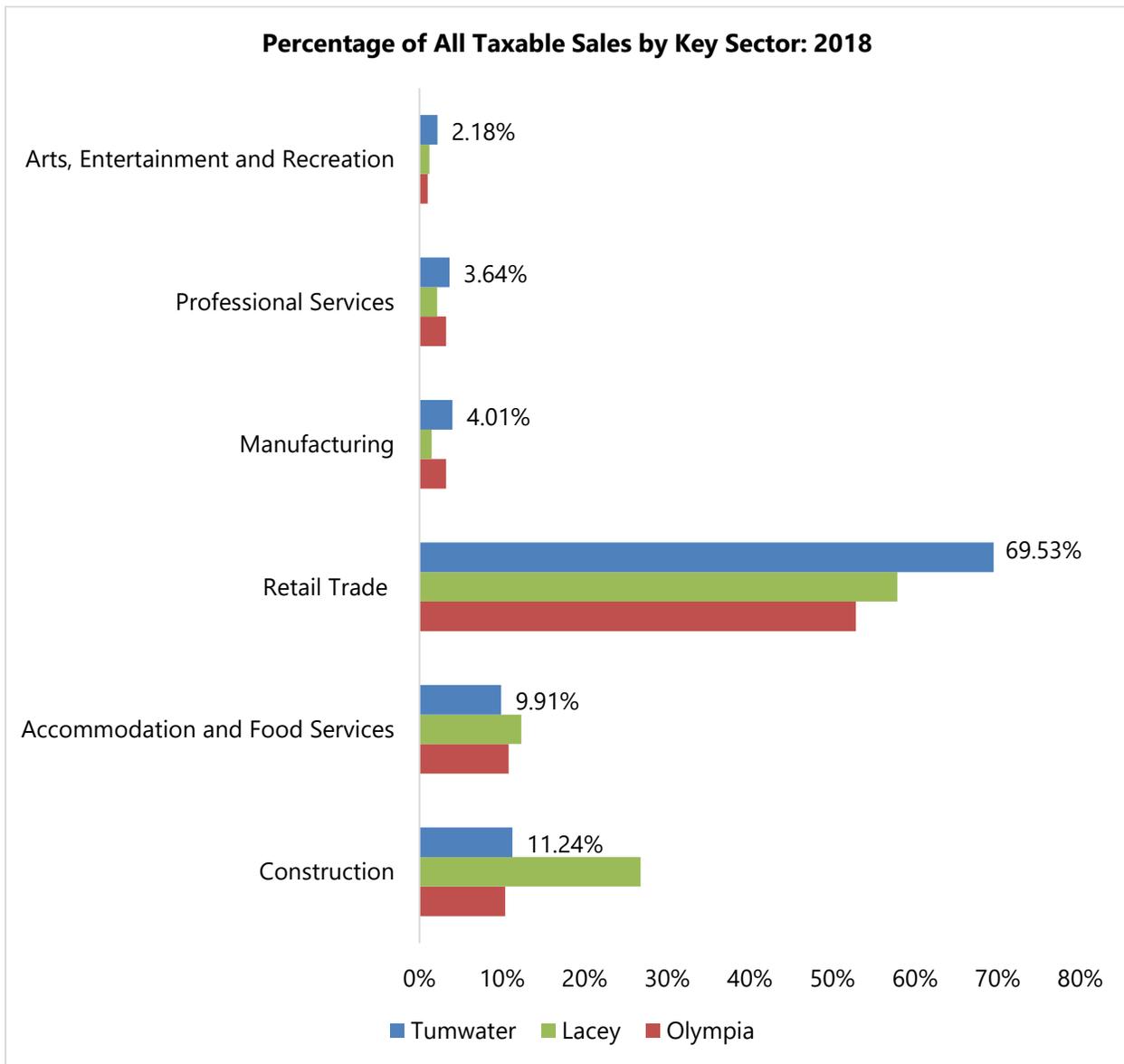
While Tumwater ranks fourth out of the five comparison jurisdictions² by sales volume, it actually ranks second for per capital sales activity. In essence, the City over performs in taxable sales activity for its size by capturing a larger share of regional spending.

² The Cities of Lacey, Olympia, Tumwater, and Yelm and Thurston County.



Sources: Washington Department of Revenue, OFM, and JRO + CO, 2018.

The graph below shows the relative percentage of total sales generated by key economic sectors for each jurisdiction in 2018. Retail is by far the largest sales tax generator for all jurisdictions. Tumwater relies slightly less on retail than the other jurisdictions, and more on arts, entertainment and recreation as well as professional services and manufacturing.



Source: Washington Department of Revenue, 2018

Implications for Economic Development Planning

- Tumwater has increased its share of the regional retail market.
 - There could be a potential opportunity for the City to explore in building on its professional services and manufacturing sectors.
 - The City will need to be prepared to adjust its retail strategy as market share for online sales continues to grow.
-

OVERVIEW OF TUMWATER'S ECONOMIC DEVELOPMENT STRATEGY

In creating this Plan, economic development was defined as the effort to retain and attract capital and talent. This document therefore focuses on strengthening and enhancing the City's economic base by retaining existing firms and attracting new investment in a manner that is consistent with the City's Vision.

The anticipated benefits of these economic development efforts include a strong local job market; diverse local shopping and recreation opportunities; moving the City's vision of redevelopment of key areas of the City forward, and creating vibrant and active community with strong amenities. An ever-present consideration for the City Council was the need to strengthen the City's tax base and enable the City to continue to provide high quality services for residents, businesses, and property owners.

This Plan seeks to retain and attract capital and talent through development that is consistent with the direction provided by Tumwater residents and the City Council, themes and approaches articulated in the City Council's Strategic Priorities and Goals, and the key analytic findings summarized earlier in this document. These parameters can be summarized as:

- **Be consistent with the community Vision** of being people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and a living connection to its history.
- **Provide a predictable and efficient process for investors**, allowing development that is aligned with guiding regulations and codes.
- **Meet the City's fiscal needs and follow citizen direction to respond with proactive economic development** (see Summary of Analytic Findings).
- **Take advantage of locational, economic, and community strengths**, including Tumwater's location along I-5 and US-101, the diversity of its existing economic base, and a strong community character.
- **Maintain and strengthen the diversity of Tumwater's economy**, with proactive efforts in office, light industrial and manufacturing, and retail sectors.
- **Locate commercial users strategically**, taking advantage of the City's large geography to create specialized business districts that minimize disruption to residents and other institutions or businesses.
- **Establish dynamic places** for residents and visitors.

- **Support local efforts in on-line retailing** to address the fundamental change in commercial markets such as through collaborating with the Thurston County Economic Development Council or another provider to offer educational workshops, training, and business set-up as well as proactive outreach to existing small businesses to help with e-tail platform development.
- **Use strategic targeted public investment** to leverage private and other sources of investment.
- **Target strategic priorities and redevelopment areas** to bring the City's initiatives to fruition.

DIRECTION FROM THE STRATEGIC PRIORITIES AND GOALS

The City Council provided clear direction through the following Guiding Principles for Economic Development:

- **Focus economic development in support of the City's Vision**, enhancing quality of life and strengthening community assets including the City's livability, strong neighborhoods, aesthetic quality, and a beautiful natural environment featuring views of Mount Rainier and the Olympics. Balanced economic development is desired, so that the scale, scope, and location of development support rather than overwhelm these other assets.
- **Make the most of the community's assets**, including its role as a regional commercial center, diverse economic base, airport, historical resources, and location on along both I-5 and the Deschutes River Valley.
- **Continue to foster a diverse economy, building on existing sectors, and locating new businesses appropriately** to take best advantage of transportation infrastructure, minimize impact on other uses, and create opportunities for synergies such as mixed-use development or residential, commercial, and employment uses located within walking distance of one another. Light industrial or manufacturing development in particular should be located carefully to minimize impacts to other uses.
- **Be strategic, efficient, and innovative**, focusing the City's economic development efforts and resources on supporting portions of the economy that might not otherwise flourish initially on their own. Enlist partners throughout the City and the region in support of the City's efforts and for the benefit of the larger community. Facilitate desirable development by being communicative, predictable, transparent, and solution-oriented in policies, investments, and interactions with the business and development communities.

This Plan responds to this direction with specific and proactive strategies to strengthen targeted sectors of the economy, as well as overarching priority to improve the City's development climate that will encourage growth in all sectors. Particular attention is given to opportunities associated with specific places, recognizing the potential economic and community development impact of the former Olympia Brewing Company properties, the Olympia Regional Airport, Tumwater Town Center, and evolving business districts such as Brewery District, Capitol Boulevard Corridor, and the Littlerock Road Subarea.

STRENGTHENING TUMWATER'S DIVERSE ECONOMY

Goals and Strategies build from the direction and themes to encourage investment in each of Tumwater's core economic sectors:

- **Office-based employment.** State and private offices have evolved to be a central component of Tumwater's economic base, contributing a large number of well-paying jobs. Strategies in this Plan continue to take advantage of this strength by retaining existing users; attracting complementary businesses, including retailers and restaurants that cater to office workers, as well as complementary businesses such as partners and suppliers; consultants and other professional services, and encouraging office workers who currently live outside the community to consider relocating to Tumwater.
- **Light industrial and manufacturing.** Tumwater has higher employment levels in manufacturing, wholesale trade, transport, warehousing, utilities, and construction/resources than many other communities. Such businesses tend to benefit from Tumwater's strengths in location and transportation access, provide living-wage jobs, and offer opportunities for further growth and diversification by evolving into clean energy areas. Related strategies in this Plan include supporting and retaining existing firms and promoting Tumwater's clean energy sector.
- **Retail.** Tumwater's retail opportunities and economic development strategies fall along the spectrum as described below.
 - **Large-scale retail.** Significant revenues for the provision of City services come from Tumwater's retail sector and in particular from sales by national retailer in the community's strongest retail sectors: General Merchandise, Building Material/Garden Supply, and Automobile Sales. The City Council's Strategic Priorities and Goals recognizes the important role such retailers will continue to play in the City's future. Strategies should focus on retaining and facilitating growth through retailer expansion and synergy in the business districts.

- **Community oriented retail.** Tumwater’s smaller-scale retail presents opportunities both for economic diversification and for community building and place making. These are strong areas of emphasis of this Plan, with specific strategies calling for support for small-scale businesses, the development of dynamic and attractive business districts, and zoning and infrastructure investments that encourage both small neighborhood-serving retail nodes and larger community retail centers.
 - **On-line retail.** A fundamental change in commercial markets is underway. Tumwater needs to address the market realities of a shrinking “brick & mortar” trend and an expanding online retail sector with accompanying change in taxable revenue.
-

This Plan is summarized at a high level on the following pages, showing the supporting strategy under each of the Plan’s eight Goals.

- **Goal 1** focuses on a priority area, which is enhancing the City’s development climate. Establishing predictable, positive rules and processes for investors is seen as critical to ensuring that Tumwater remains an economically vital community.
- **Goals 2, 3, and 6** focus on strengthening specific aspects of the City’s existing economy: retaining its existing businesses and building on strengths in light industrial and manufacturing, office-based employment, the New Market Industrial Campus and the Olympia Regional Airport.
- **Goals 4 and 5** focus on taking advantage of a specific economic development asset that has the potential to reshape the region’s economy: the brewery properties and the craft food and beverage industry.
- **Goal 7** encourages office development and other options to strength the Tumwater Town Center.
- **Goal 8** encourages economic development that strengthens the Tumwater community.
- **Goal 9** establishes an approach to strengthening Tumwater’s image and role as a regional destination.

IMPLEMENTATION PLANNING

This document establishes strong guidance for the City as it implements its economic development activities. Timelines and lead departments are assigned. This implementation guidance should be used to link pursuit of the Plan’s Goals and Strategies

with City Council and Planning Commission agendas and City department work planning and performance review processes.

To implement these ambitious efforts effectively, the City will need a dedicated economic development staff position. Until such a position can be funded, it will be necessary to utilize existing staff to perform as many of these functions as feasible. Some activities cannot be advanced without a dedicated economic development lead; the timeline for such items is identified as "To be determined."

LAND USE CHARACTERISTICS

In developing this Plan, it was recognized by City Council that each of the land uses listed below could have both positive and negative impacts on the community. These impacts were strongly considered when creating this Plan's Goals and Strategies.

- **Public and private offices.** Provide the highest employment density; larger offices bring wealth into the community and local offices provide services to local residences and businesses; both generate modest revenue, particularly during the mid-day (e.g. restaurants, services). They may provide community development opportunities and proximity to housing can reduce commute times. The primary downside is an increase in traffic during commute hours.
- **Light industrial businesses.** Provide modest increases in local employment opportunities; generate modest revenue; and help diversify the City's economy. However, uses can be aesthetically unappealing and create a potential for noise and modest traffic impacts.
- **Large warehouses, distribution, and logistics centers.** Generally, provide the lowest employment density and modest revenue; increase truck traffic; create impacts to the City's visual appearance; and consume large amounts of industrial land.
- **Large-scale retail stores.** Provide a significant increase to the City's tax base through sales tax; attract more shoppers to Tumwater, which will support some local retailers; and increase local shopping opportunities. However, these uses generate significant traffic; affect the City's visual appearance; and can increase competition for some locally owned retailers. Most of the large retailers have already saturated the market and due to changing dynamics in the retail world, it is unlikely we will see any others in Tumwater.
- **Neighborhood scale retail.** Provides moderate increases to the City's tax base through sales taxes; generates moderate increases in local traffic; and provides

increased local shopping opportunities. They can play an important role in community development.

SUMMARY OF PLAN GOALS AND STRATEGIES

 **Note:** Goals are not listed in order of priority.

Goal #1: Establish a development climate that stimulates economic activity and desirable investment

- A. Maintain ongoing dialogue with key constituencies to ensure a common understanding of the City's economic development Goals and development regulations
- B. Obtain regular feedback about the City's development regulations and processes
- C. Promote Tumwater as an attractive location for business investment
- D. Ensure a predictable and efficient experience for business owners and developers seeking to invest in Tumwater  **PRIORITY ITEM**

Goal #2: Retain and support existing businesses

- A. Communicate that existing businesses are valued and that the City will do what it can to retain them in the community
- B. Facilitate the development of clusters by convening and attracting complementary businesses
- C. Collaborate with partners to understand and seek to respond to the needs of the City's existing businesses
- D. Provide resources and programs to support Tumwater's small businesses
- E. Encourage the success of Tumwater's home-based businesses

Goal #3: Grow the City's light industrial and manufacturing sectors

- A. Communicate the continued importance of Tumwater's industrial employers and their economic impact in the community
- B. Understand and respond to the needs of industrial users
- C. Seek to utilize the transportation infrastructure in the City to support and grow its industrial and manufacturing sectors  **PRIORITY ITEM**
- D. Grow and promote Tumwater's clean energy and green business sectors
- E. Through partnerships, promote workforce development and education in order to ensure sufficient supply of workers and create opportunities for individuals

F. Encourage businesses that support the City's dominant government cluster

Goal #4: Make strategic use of the brewery properties and surrounding Brewery District to strengthen the City's economic base

A. Explore strategies to renovate the Old Brewhouse through grants, donations, and public/private partnerships for rehabilitation consistent with the New Market Historic District Master Plan and the Park, Recreation, and Open Space Plan

B. Implement the Brewery District Plan with public and private investment to revitalize the Brewery Neighborhood and take advantage of this remaining historic core to the City and valuable neighborhood asset **←PRIORITY ITEM**

C. Expand economic opportunity and activity in the Brewery District **←PRIORITY ITEM**

D. Create a stronger sense of place in the Brewery District by facilitating pedestrian access, establishing gathering places for residents, and fostering a distinct District identity **Goal #5: Develop the City's craft food and beverage sector**

A. Develop a Center of Excellence around the City's craft food and beverage sector in partnership with local educational opportunities **←PRIORITY ITEM**

B. Grow the City's craft food and beverage sector to include producers, manufacturers, and markets **←PRIORITY ITEM**

C. Work to create distinctive brands and signage for areas of the City that are centers of the City's craft food and beverage sector

Goal #6: Work with the Port of Olympia to develop the New Market Industrial Campus and the Olympia Regional Airport

A. In partnership with the Port, facilitate commerce and productivity, as well the efficient movement of goods and provision of services **←PRIORITY ITEM**

B. Collaborate with the Port in the preparation and implementation of a Master Development Plan for the area

C. Embrace the Olympia Regional Airport as a Valuable Economic Asset

Goal #7: Solidify and advance the future of the Tumwater Town Center

- A. Evaluate the feasibility of the established Tumwater Town Center vision for mixed-use development
- B. In partnership with the Port, encourage development by establishing a non-binding master site plan for Port-owned properties within the Tumwater Town Center
- C. Consider additional investments and incentives if necessary to encourage development in the medium- to long-term, such as transit centers in ideal locations
- D. Treat Tumwater's office market as an economic development asset and a foundation to build upon in advancing the Tumwater Town Center **←PRIORITY ITEM**

Goal #8: Encourage economic development that strengthens the Tumwater community

- A. Support multiple models of community-oriented development
- B. Strengthen the identity and management of the City's business districts
- C. Support the transformation of Capitol Boulevard by pursuing opportunities to implement the Capitol Boulevard Corridor Plan **←PRIORITY ITEM**
- D. Implement the Littlerock Road Subarea Plan to encourage private development in the area **←PRIORITY ITEM**
- E. Consider a 93rd Avenue/I-5 Interchange Subarea Plan to help guide growth, transportation, and land use **←PRIORITY ITEM**
- F. Support the development of the Warehouse and Craft Districts and broader craft food and beverage growth opportunities as outlined under Goal #5

Goal #9: Strengthen Tumwater's image and advance the community as a regional destination

- A. Strengthen community identity and promote a positive image
- B. Promote Tumwater as an attractive residential location for office workers
- C. Promote the region's attractions and strengthen Tumwater's tourism infrastructure
- D. Recruit educational institutions to strengthen Tumwater's economic base and enhance the dynamism of the community
- E. Recognize Interstate 5 as a valuable economic asset.

HOW TO READ THIS PLAN

The City's **Vision, Mission, and Belief Statements** provide overarching direction for the future of the community. Other direction from the City Council's Strategic Priorities and Goals is shown through the document.

The **Summary of Plan Goals and Strategies** provides a high-level overview of the Economic Development Plan's eight Goals and supporting Strategies.

The remaining document presents each Goal in full detail, with introductory text, explanation of the lead and timeline for each strategy, and identification of priority items. The following icon is used to identify changes to Tumwater's zoning or development regulations.

- Modifications to zoning and development regulations

GOALS AND STRATEGIES

Goal #1: Establish a development climate that stimulates economic activity and desirable investment

The City's Economic Development Plan strongly prioritizes a development climate that attracts and facilitates investment in the Tumwater community. This focus on refining the City's most fundamental interaction with business is a foundational element to the City's economic development strategy. It is an area where the City has direct influence and can affect a significant positive difference without costly investment. Further, the City recognizes the importance of strengthening its interactions with investors and sending a message to the market that investment is desired in Tumwater.

The City's regulation of and interaction with potential investors should actively facilitate desirable development, while preserving key economic and community assets such as Tumwater's natural areas and attractive residential neighborhoods. This broad aim will be accomplished by continuing to have a culture supportive of economic development throughout the City, as well as by making ongoing improvements to existing development regulations, systems, and processes.

This Goal establishes specific strategies to improve Tumwater's development climate to establish clear expectations of investors, appropriate regulations, and smooth, predictable processes. As these improvements are made, they will be promoted to potential investors, as will a summary of properties available for development or redevelopment. These communications will help raise awareness of the community's substantial development opportunities. The result will be an increase in desirable investment in the community and achievement of the desired outcomes associated with economic development.

This Plan also calls for ongoing engagement with key stakeholder groups, including residents, business owners, property owners, and potential investors, to promote a common understanding of the need for and broader strategy behind the City's economic development efforts.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Maintain ongoing dialogue with key constituencies to ensure a common understanding of the City's economic development Goals and development regulations	City Admin	√			
1. Implement this Plan through outreach to the City's economic development partners <ul style="list-style-type: none"> ▪ Discuss the City's vision, priorities, and purpose ▪ Explore opportunities to expand coordination and collaboration among the City and its economic development partners 	City Admin	√			
2. Use social media as an economic development tool to provide regular updates of the City's economic development efforts and private sector development activity	ED Staff ³	-	-	-	-
3. Obtain diverse and representative input when significant policy changes are considered, seeking input by residents, business owners, and members of	City Admin	√			

³ Until Economic Development staff is hired, the Executive and Community Development Departments will do tasks assigned to Economic Development staff.

		Years			
	Lead	Ongoing	1-4	5-8	9+
the development community					
4. Communicate regularly with residents about the City's economic development Goals and efforts	City Admin	√			
5. Maintain strong connections to Tumwater's business owners, treating them as key community stakeholders	City Admin	√			
<ul style="list-style-type: none"> ▪ Modify the City's contract with the Thurston County Economic Development Council to include a summary of feedback on the City's development climate obtained through the EDC's business outreach efforts 	City Admin	√			
<ul style="list-style-type: none"> ▪ Conduct regular outreach to the City's largest employers 	ED Staff	-	-	-	-
<ul style="list-style-type: none"> ▪ If possible, conduct "exit interviews" with businesses that leave Tumwater 	ED Staff	-	-	-	-
<ul style="list-style-type: none"> ▪ Establish a single point of contact at the staff level for the City's economic development partners and continue to 	City Admin		√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
participate regularly in partner meetings					
6. Look for ways to build partnership opportunities with the Squaxin Island Tribe, Nisqually Indian Tribe, and Confederated Tribes of the Chehalis Reservation	City Admin	√			
7. Look for ways to support equity in community through economic development	City Admin	√			
B. Obtain regular feedback about the City’s development regulations and processes ■	City Admin	√			
1. Maintain an effective and ongoing feedback loop with development applicants to continue to improve services	Comm Dev	√			
2. Proactively seek input from randomly selected business owners and developers involved in various points of the City’s development process	City Admin	√			
3. Review the Economic Development Plan on a regular basis to ensure that it continues to work with other City strategic priorities, plans, and regulations	City Admin	√			

	Lead	Ongoing	Years		
			1-4	5-8	9+
C. Promote Tumwater as an attractive location for business investment	City Admin ED Staff	√			
1. Establish key economic development messages to be communicated on the City’s website, social media, in printed materials, and in economic development events and discussions	City Admin ED Staff		√		
2. Maintain the City’s website through a user-centered format and ensuring that economic development pages are easily accessed from the home page	City Admin ED Staff		√		
3. Provide “plain talk” interpretations of the City’s development regulations on the City’s website and in simple printed handouts	Comm Dev		√		
4. Continue to collaborate with partners to market opportunities in Tumwater	City Admin ED Staff	√			
5. Create promotional collateral that describes the City’s demographics, market position, and specific development opportunities	City Admin ED Staff		√		
▪ Aggregate and communicate development opportunities by geography or allowable use, promoting	City Admin ED Staff		√		

	Years				
	Lead	Ongoing	1-4	5-8	9+
opportunities in individual commercial districts or across the City for specific user types such as office-based employers or light industrial and manufacturing users					

PROMOTING TUMWATER TO INVESTORS

Key messages include:

- Communicate that economic investment in Tumwater is desired
- Promote the City’s development climate, with predictable processes and competitive regulations and fees.
- Describe the City’s significant strengths and assets that provide substantial benefits to tourists, businesses, and developers

TUMWATER’S DEVELOPMENT OPPORTUNITIES

Strategy C above calls for actively promoting development opportunities in Tumwater using printed, on-line, and social media materials to aggregate and highlight opportunities by geographic area and development type. These materials can be featured on the City’s website and social media and used in conversation with business owners looking to expand or locate in Tumwater, investors active in the region, and the City’s economic development partners.

The following brief descriptions highlight key areas with economic development potential for new development or redevelopment:

Capitol Boulevard Corridor: Redevelopment opportunities along this important corridor should be aggregated and promoted collectively and guided by the Capitol Corridor Plan. The attractive characteristics of the area should be described, including access to I-5, commute volumes, and proximity to neighborhoods, as well as the community’s desire for a dynamic and walkable business district.

Littlerock Road Subarea: Opportunities for both large-scale retail development and neighborhood-scale commercial in this area with strong I-5 visibility and access should be promoted, consistent with the Littlerock Road Subarea Plan.

Tumwater Boulevard West of I-5: There is an opportunity to increase the number of automobile dealerships in this area. This opportunity should be promoted given the region's strength in automobile sales, the potential tax revenues such uses may generate, and the ability to access dealerships easily from I-5 without disrupting nearby neighborhoods.

93rd Avenue Southwest: With the 93rd Avenue/I-5 interchange, this area is well suited to uses that benefit from easy access to the interstate. Desirable uses for this area include large-scale retail and industrial businesses, both of which are consistent with the existing Light Industrial zoning. Goal 7, Strategy E would implement a subarea plan around the 93rd Avenue/I-5 interchange to help guide growth, transportation, infrastructure, and land use.

Brewery Properties: Goal 4 of this Plan focuses on promoting desirable use of the brewery properties, including dynamic mixed-use development west of Capitol Boulevard that features a regional retail or entertainment destination and light industrial employers east of Capitol Boulevard.

Tumwater Town Center: Promotion of development opportunities within the Tumwater Town Center should correspond to the results of the effort described in Goal 6, Strategy A to evaluate the feasibility of the established vision for the area, and in alignment with the non-binding master site plan called for in Goal 6, Strategy B.

Craft Food and Beverage: Promotion of development opportunities in the Warehouse District on Old Highway 99 and immediately south of the Brewery District should support the City's efforts to create opportunities for small brewing, distilling, food preparation, and personal care product preparation, as well as the Innovation Partnership Zone in the Craft Brewing and Distilling industry cluster.

Olympia Regional Airport: Promotion of airport-related development within and around the Olympia Regional Airport should be done in collaboration with the Port as outlined in Goal 5. Use of the airport for tourism travel to and from the region, linking the airport to local restaurants and hotels, would be a great benefit to the area. The City should collaborate with the Port to support and recruit airport-related businesses, such as flight schools, aircraft design and repair firms, and airport related innovation and manufacturing.

New Market Industrial Campus: Promotion of development within the New Market Industrial Campus should be done in collaboration with the Port as outlined in Goal 5.

The City should work together with the Port in the preparation and implementation of the Master Development Plan for the area.

Mottman Industrial Park: Redevelopment and infill opportunities should be promoted, as much of this area was developed in the 1980s. The City should recruit businesses that can take advantage of the transportation assets in this area, including rail and access to I-5 and US-101.

Community-oriented development: Opportunities for neighborhood-serving retail and grocery-anchored retail centers throughout the City should be aggregated and promoted collectively.

	Lead	Ongoing	Years		
			1-4	5-8	9+
<p>D. Ensure a predictable and efficient experience for business owners and developers seeking to invest in Tumwater ← PRIORITY ITEM</p>	City Admin	√			
<p>1. Ensure that development regulations are established in a planned and scheduled fashion and clearly communicated on the City website and in printed materials</p>	Comm Dev	√			
<p>2. Complete the Bush Prairie Habitat Conservation Plan in partnership with the Port to incorporate threatened or endangered species protections in a comprehensive and proactive manner</p> <ul style="list-style-type: none"> ▪ Communicate using social media and economic development materials the progress made on the issue 	Planning	√			
<p>3. Avoid mid-stream changes to development regulations in response to particular development proposals</p>	City Admin	√			
<p>4. Evaluate creative approaches to</p>	City Admin		√		

		Years			
	Lead	Ongoing	1-4	5-8	9+
establishing a City staff position responsible for economic development, including beginning with a part-time position or banking funding for the position until sufficient resources have been set aside					
5.	Establish economic development and the potential to stimulate private investment as a criteria in the City's decision making process for allocating capital funding	City Admin		√	
	<ul style="list-style-type: none"> ▪ Prioritize capital investment in areas with economic development potential, with a short-term focus on the Brewery District, craft food and beverage centers, the Capitol Boulevard Corridor, and the Littlerock Road Subarea 	City Admin		√	
6.	Use education, training, and strong leadership to maintain a community development culture with a strong customer-service orientation	Comm Dev	√		

		Years				
		Lead	Ongoing	1-4	5-8	9+
	<ul style="list-style-type: none"> ▪ Encourage staff to help business owners and potential investors find suitable sites and solutions to challenges they encounter, while adhering to the community Vision and development regulations 	Comm Dev	√			
7.	Ensure consistent, accurate, and easily understood information is provided by Community Development staff	Comm Dev	√			
	<ul style="list-style-type: none"> ▪ Create “plain talk” handouts describing the City’s development regulations and how investors can successfully conduct business within the City 	Comm Dev ED Staff		√		
	<ul style="list-style-type: none"> ▪ Continue to evaluate the protocols about what information should be provided at specific points in the development process 	Comm Dev	√			
	<ul style="list-style-type: none"> ▪ Establish mechanisms to document what information has been provided to individual prospective investors at different points in the development process 	Comm Dev		√		

		Years			
	Lead	Ongoing	1-4	5-8	9+
8. Continue to track timelines for routine tasks and processing, including deadlines for response to inquiries by business owners and potential developers	Comm Dev		√		
9. Consider amending the Tumwater Municipal Code to establish a process for the Community Development Director to approve expedited processing of permit applications under certain circumstances ■	Comm Dev		√		
10. Consider establishing an enterprise fund to allow the purchase of up-to-date tools and systems to manage permitting	Comm Dev		√		
11. Benchmark the City's practices and regulations against those of neighboring communities	Comm Dev	√			
▪ Conduct an annual review of key policies and practices to ensure the City remains competitive ■	Comm Dev		√		
▪ Investigate neighboring community practices whenever significant policy or procedure changes are considered	Comm Dev	√			

	Lead	Ongoing	Years		
			1-4	5-8	9+
12. Track development inquiries and the status of investments by type and location	Comm Dev	√			
<ul style="list-style-type: none"> ▪ Provide quarterly summaries for use by elected officials and staff and as material for the City's economic development marketing efforts 	Comm Dev	√			

VENTERPRISE FUND

The income produced by a City's revenue-generating activity may in turn be invested in the systems that support the activity. In this case, the recommendation is to use all or a portion of the City's permit fees to purchase the tools needed to manage the permitting process effectively. Potential investments include a comprehensive permit tracking system with web-based progress reports for permit recipients.

EXPEDITED PERMITTING

The ability for a developer to move a project through the permitting process in a timely fashion can be extremely important. Depending on the nature of the project, the time required for this process can be a critical factor in determining in which community to build. By offering an expedited option, Tumwater will be in a more competitive position to receive such an investment.

As this option is developed, the City will consider the following conditions and alternatives to ensure there are no associated negative consequences:

- An expedited processing schedule should be approved only if other permit applications will not be delayed
- Contracting for permit review services should be considered as an alternative to prevent delays to other projects
- Any additional costs incurred by the City due to expedited processing should be paid by the permit applicant

Goal #2: Retain and support existing businesses

The retention and expansion of existing enterprises is an important starting-point for continued economic prosperity. The strategies contained in this Goal generally follow a two-step process of first engaging with the business community to understand the challenges and opportunities faced by business owners and then by responding in a supportive fashion as resources and limitations on the role of the City allow. Collaboration with its economic development partners can greatly augment what the City is able to do on its own in this area.

The following strategies make use of an interrelationship between business retention and business attraction. Retaining our existing businesses and aiding in its growth is significantly easier than recruiting new businesses and should be the first focus of the City. By being a business-supportive community, Tumwater will develop a positive reputation that may attract new businesses. In addition, through its business retention outreach, the City will learn about potential new businesses that would complement existing businesses. Synergistic relationships can be used to strengthen existing businesses by placing their suppliers, contractors, and other supporting partners near them, as well as growing a cluster of related businesses.

Tumwater’s diverse economy hosts businesses that include multinational corporations, mid-sized businesses, small businesses, and nascent home-based businesses. Strategies for larger businesses include outreach and direct assistance on issues that can be addressed by the City and its partners. Support for small businesses is primarily to be provided in collaboration with the City’s partners, and the strategies around home-based businesses are exploratory in nature, directing the City and its partners to understand better the needs and significance of this sector before committing to specific supporting strategies.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Communicate that existing businesses are valued and that the City will do what it can to retain them in the community	City Admin	√			
B. Facilitate the development of clusters by convening and attracting complementary businesses	ED Staff	-	-	-	-

	Lead	Ongoing	Years		
			1-4	5-8	9+
1. Identify potentially synergistic industries, services, and individual businesses during outreach to existing businesses and State offices	ED Staff	-	-	-	-
C. Collaborate with partners to understand and seek to respond to the needs of the City's existing businesses	ED Staff	-	-	-	-
1. As staffing allows, appoint a "Business Ombudsman" to serve as a first point of contact for businesses requesting assistance from the City	ED Staff	-	-	-	-
2. Provide site location and permitting assistance services for businesses seeking to expand	Comm Dev	√			
Related Strategies					
<ul style="list-style-type: none"> • ED Plan: Goal 3 – light industrial and manufacturing • ED Plan: Goal 6 – office uses 					
3. Form a committee comprised of City and public and private sector partners to anticipate and respond to businesses who are considering leaving the community	City Admin		√		
<ul style="list-style-type: none"> ▪ Reach out to firms that may leave and address 	City Admin		√		

		Years			
	Lead	Ongoing	1-4	5-8	9+
contributing issues if feasible					
4. Conduct a "business survivability" survey with the City's partners to understand the most critical needs of the area's businesses	ED Staff		√		
5. Include consideration of infrastructure needs by businesses, seeking to adapt the City's investments to conform with evolving needs	Public Works ED Staff		√		
6. Partner with the Tumwater School District, the New Market Skills Center, and South Puget Sound Community College to provide targeted workforce development and connect these organizations with businesses that are hiring	ED Staff	-	-	-	-
D. Provide resources and programs to support Tumwater's small businesses	City Admin	√			
1. Ensure that the City's development regulations are responsive to the needs of small businesses, addressing concerns raised through outreach to business owners	City Admin Comm Dev		√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
2. Work with the City’s partners to support businesses Potential options include: <ul style="list-style-type: none"> ▪ Publication of an online local business directory ▪ Establish a shop-local campaign, discount program, or local currency ▪ Trainings for business owners ▪ A business mentoring program ▪ Providing support and training to independent businesses, enabling them to identify strategic niches and thrive ▪ A grant/loan program for façade improvement, landscaping, or working capital ▪ Work with the Thurston County Economic Development Council to support entrepreneurial efforts in the community 	City Admin ED Staff	√			
E. Encourage the success of Tumwater’s home-based businesses	ED Staff	√			
1. Ensure that the City’s regulations avoid barriers to	Planning		√		

	Lead	Ongoing	1-4	Years	
				5-8	9+
home-based businesses while minimizing negative impacts on nearby residents					
2. Collaborate with Homeowners Associates to reduce barriers to home-based businesses	Planning			√	
3. Collaborate with partners to track and evaluate the significance of the City's home-based business sector, evaluating the likely costs and benefits associated with strategies to support this sector	ED Staff			√	
<ul style="list-style-type: none"> ▪ Potential strategies include a mentoring program, facilitated gatherings of home-based entrepreneurs, shared meeting space and support services, or more in-depth incubation services 					

Goal #3: Grow the City’s light industrial and manufacturing sectors

Tumwater is fortunate to have an economic base that includes light industrial and manufacturing employers that offer living wage jobs and draw economic activity to the area. This Plan establishes strategies to acknowledge, retain, and grow these firms.

The City’s transportation infrastructure, including rail and freeway access and the presence of an airport, its location, and its lands with developable capacity are strengths to be utilized in these efforts. In addition, these assets position the City and its businesses well to participate in the emerging clean energy industry. The City and its partners can take an active role in strengthening existing clean energy businesses, helping local businesses grow into this market, and attracting new enterprises to grow the industry.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Communicate the continued importance of Tumwater’s industrial employers and their economic impact in the community	City Admin	√			
B. Understand and respond to the needs of industrial users	City Admin	√			
1. Meet regularly with the Thurston County Economic Development Council to discuss economic development issues	City Admin	√			
2. Conduct targeted outreach to understand and support the needs and redevelopment opportunities within the City’s land zoned for industrial use	ED Staff	-	-	-	-
3. Prioritize the expansion of existing uses	City Admin	√			

		Years			
	Lead	Ongoing	1-4	5-8	9+
C. Seek to utilize the transportation infrastructure in the City to support and grow its industrial and manufacturing sectors		√			
← PRIORITY ITEM					
1. Locate new industrial uses in areas well-served by truck routes that provide easy highway connections and minimize disruption to other users	Planning	√			
2. Recruit businesses that would benefit from the City's transportation assets, including the airport, access to I-5 and US-101, and rail	ED Staff	-	-	-	-
D. Grow and promote Tumwater's clean energy and green business sectors		√			
1. Monitor State efforts to understand and strengthen this portion of the economy	City Admin ED Staff	√			
2. Reach out to existing green businesses to understand and support their needs and to develop effective strategies to recruit similar businesses	ED Staff	-	-	-	-
3. Work with partners to recognize and promote Tumwater's existing clean	ED Staff	-	-	-	-

			Years		
	Lead	Ongoing	1-4	5-8	9+
energy firms and green businesses					
4. Create a market for local clean energy and green products through City construction or purchasing and support demonstration projects in collaboration with the New Market Skills Center and local colleges	ED Staff	-	-	-	-
5. Incorporate economic development initiatives and the promotion of Tumwater as a green community through a City sustainability strategy	City Admin			√	
6. Work with partners to encourage recycling and energy conservation by Tumwater businesses	ED Staff	√	-	-	-
7. Participate in regional clean energy organizations and events	ED Staff	√	-	-	-
E. Through partnerships, promote workforce development and education in order to ensure sufficient supply of workers and create opportunities for individuals	City Admin	√	-	-	-
	ED Staff				
1. Explore partnerships with higher education institutions to assist with initiatives through workforce development, education, innovation, and investment	ED Staff	√	-	-	-

	Lead	Ongoing	Years		
			1-4	5-8	9+
2. Work with the Tumwater School District to develop opportunities for developing workforce pathways in careers that support local industries	ED Staff	√	-	-	-
3. Develop relationships with local workforce development organizations in order to help connect work force with industry needs	ED Staff	√	-	-	-
F. Encourage businesses that support the City's dominate government cluster	City Admin	√	-	-	-
	ED Staff				
1. Cultivate professional services and information technology businesses	ED Staff	√	-	-	-
2. Work with education partners to develop information technology programs from high school to higher education	ED Staff	√	-	-	-
3. Examine ways to simplify regulations and taxation to encourage small-scale professional service uses	ED Staff	√	-	-	-

CLEAN ENERGY

Washington State and many individual communities are investing heavily in the development of a nationally and internationally competitive clean energy industry. This interest is fueled by both environmental and economic motivations, with “green jobs” discussed perhaps more frequently than the environmental benefits anticipated with a shift towards renewable energy forms.

Tumwater is well situated to benefit from the growth of this sector. Many clean energy jobs will be with the light industrial and manufacturing firms that find the City’s buildable lands capacity, multi-modal transportation infrastructure, and educated workforce to be strong locational advantages. Clean energy represents a real opportunity to attract new businesses to Tumwater based on these assets, and a way for existing businesses to diversify into new markets. Growth in this sector is likely to be well supported by residents, as it congruent with the values and aspirations articulated by many community stakeholders throughout this planning process.

Goal #4: Make strategic use of the brewery properties and surrounding Brewery District to strengthen the City’s economic base

The former Olympia Brewing Company properties are key economic development assets, important to both Tumwater and the broader region. They feature specific challenges that need to be addressed collaboratively, and have the potential to serve as economic engines and iconic symbols for Tumwater long into the future. Achieving this status would return them to the role they historically played in the community.

While much of the old Tumwater was removed by the construction of I-5, the Brewery District contains the remnants of the old downtown and looks and functions like a historic core for the City. The area provides a mix of commercial, office, retail, restaurant, residential, and civic uses, and draws both freeway activity as well as activity from the City’s Old Town Center facility, the Tumwater Square retail area that is anchored by Safeway, the regional cemeteries, and the close proximity to Olympia. Redevelopment of the brewery site would result in significantly greater employment and intensity of activity in the Brewery District. It provides opportunities for mixed-use development, additional commerce, investment in civic infrastructure for gathering places and pedestrian improvements, entertainment uses, pedestrian-oriented development, and preservation of the remaining historic center of the City.

The Brewery District Plan establishes specific strategies for the brewery properties and the larger Brewery District as described below.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Explore strategies to renovate the Old Brewhouse through grants, donations, and public/private partnerships for rehabilitation consistent with the New Market Historic District Master Plan and the Park, Recreation, and Open Space Plan	City Admin	√			
B. Implement the Brewery District Plan with public and private investment to revitalize the Brewery Neighborhood and take advantage of this remaining historic core to the City and valuable neighborhood asset  PRIORITY ITEM	City Admin ED Staff Public Works	√			
1. Strategically invest in infrastructure, parks and open space, historic and cultural arts, recreation, and promotional opportunities to revitalize the Brewery Neighborhood consistent with the Brewery District Plan	City Admin ED Staff Public Works	√			
2. Encourage development by reducing and adjust the timing of impact fees within the Brewery District	Planning		√		
3. Consider a grant program or Business and	City Admin		√		

		Years			
	Lead	Ongoing	1-4	5-8	9+
Occupations tax credit to pay for façade improvements and other smaller projects					
4. Use design and development standards to create high quality development and create a quality public domain (lighting, sidewalks, signs, etc.), and a cohesive look and feel	Comm Dev Public Works	√			
5. Prioritize and implement safety and comfort enhancements for nonmotorized users and improve transit, bicycle, and pedestrian access into the Brewery District	Public Works	√			
6. Explore strategies for minimizing the negative impacts of on-site surface parking and update the current parking and access management framework	Planning		√		
7. Preserve, highlight, and celebrate the Brewery District’s historic heritage	City Admin ED Staff	√			
C. Expand economic opportunity and activity in the Brewery District	City Admin ED Staff	√			
← PRIORITY ITEM					
1. Create opportunities for the development of “third-place” activity, which are	ED Staff	√			

	Lead	Ongoing	Years		
			1-4	5-8	9+
places people can gather outside of work and home, and retail hubs such as micro-breweries, coffee shops, and a senior center					
2. Attract mixed-use, high-density residential uses to increase foot-traffic customers in the Brewery District	ED Staff	√			
3. Provide for a mix of home-business and retail uses in the Bates Neighborhood	ED Staff	√			
4. Identify potential redevelopment scenarios for key opportunity sites with willing land owners	ED Staff	√			
5. Coordinate with regional workforce, business, and economic development partners to track and implement location-appropriate job and industry development opportunities	City Admin ED Staff	√			
6. Implement a Main Street Program or similar effort to actively engage local businesses, land owners, and other stakeholders in the revitalization program	City Admin ED Staff		√		
D. Create a stronger sense of place in the Brewery District by facilitating pedestrian	Planning	√			

	Lead	Ongoing	Years		
			1-4	5-8	9+
access, establishing gathering places for residents, and fostering a distinct District identity					
1. Evaluate opportunities for a pedestrian-oriented "Main Street"	City Admin ED Staff		√		
2. Introduce public uses that bring people to the Brewery District, which may include mini-parks, green spaces, Farmers' Market, or a public facility in the District	City Admin ED Staff	√			
3. Evaluate the possibility of creating gateways at key entry points to the Brewery District and/or the City, where appropriate and feasible	City Admin ED Staff		√		
4. Facilitate opportunities for pedestrian-oriented mixed-use and commercial development	City Admin ED Staff		√		
5. Consider providing public art at key locations	City Admin ED Staff		√		
6. Consider use of distinct "branding" through signage and other means to increase sense of place	City Admin ED Staff		√		
7. Ensure that public access to the Deschutes River is provided when a site adjacent to the river is	Comm Dev	√			

	Years				
	Lead	Ongoing	1-4	5-8	9+
redeveloped, consistent with the requirements of the City's Shoreline Master Program					

Goal #5: Develop the City’s craft food and beverage sector

Building on the City’s history, work with a team of partners to develop the City’s craft food and beverage sector as a means to incentivize redevelopment of the brewery site and build on the historic brand.

The Craft Brewing and Distilling Center would be a “Center of Excellence” for the rapidly growing brewing and distilling industries in Washington. There are 256 craft breweries in Washington. It is an industry that has grown by 17.6% in 2014 and represents a \$19.6 billion economic impact according to the Brewers Association. Craft distilleries, which have only been allowed since 2008, now number over 89 with applications pending for a dozen more.

The Center of Excellence would have a regional focus to facilitate craft brewing and distilling activities, extend industry research, education, workforce training, and public information. Such a facility would serve as an incubator for small brewers and distillers and provide public amenities such as a museum, river walk, trail connections, and preservation of the iconic and historic Old Brewhouse.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Develop a Center of Excellence around the City’s craft food and beverage sector in partnership with local educational opportunities  PRIORITY ITEM	City Admin	√			
B. Grow the City’s craft food and beverage sector to include growers, producers, manufacturers, and markets  PRIORITY ITEM	City Admin	√			
C. Work to create distinctive brands and signage for areas of the City that are centers of the City’s craft food and beverage sector	City Admin	√			

Goal #6: Work with the Port of Olympia to develop the New Market Industrial Campus and the Olympia Regional Airport

While the future contributions of the Port’s New Market Industrial Campus and the Olympia Regional Airport to the City and regional economy are difficult to foresee, it is clear that they should be protected and developed as future opportunities arise to the greatest benefit of the regional community. While this Plan establishes strategies to continue to grow these businesses in the short-term, their greater value will likely be recognized many years from now through the continued cultivation of these unique assets.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. In partnership with the Port, facilitate commerce and productivity, as well the efficient movement of goods and provision of services  PRIORITY ITEM	City Admin	√			
B. Collaborate with the Port in a shared development strategy that includes the preparation and implementation of the Real Estate Master Development Plan for the area	Comm Dev		√		
1. Work with the Port to support development in the New Market Industrial area that will lead to street improvements to City standards	City Admin	√			
C. Embrace the Olympia Regional Airport as a valuable economic asset	City Admin	√			
2. Support the continued use of the airport and lands	City Admin	√			

			Years		
	Lead	Ongoing	1-4	5-8	9+
adjacent to the airport for aviation and aviation-related uses					
3. Collaborate with partners to support and recruit airport-related businesses	City Admin	√			
▪ Recruit directly airport-dependent businesses such as flight schools, aircraft design or repair firms, and aircraft part dealers and service firms			√		
▪ Recruit businesses that use the airport for the movement of people or freight					√
4. Encourage the implementation of regularly scheduled passenger air traffic	City Admin				√
5. Encourage use of the airport for tourism travel to and from the region, linking the airport to local restaurants and hotels	City Admin	√			
6. Pursue advanced manufacturing, avionics, robotics, and composites programs with the Port of Olympia and education partners	City Admin		√		

Goal #7: Solidify and advance the future of the Tumwater Town Center

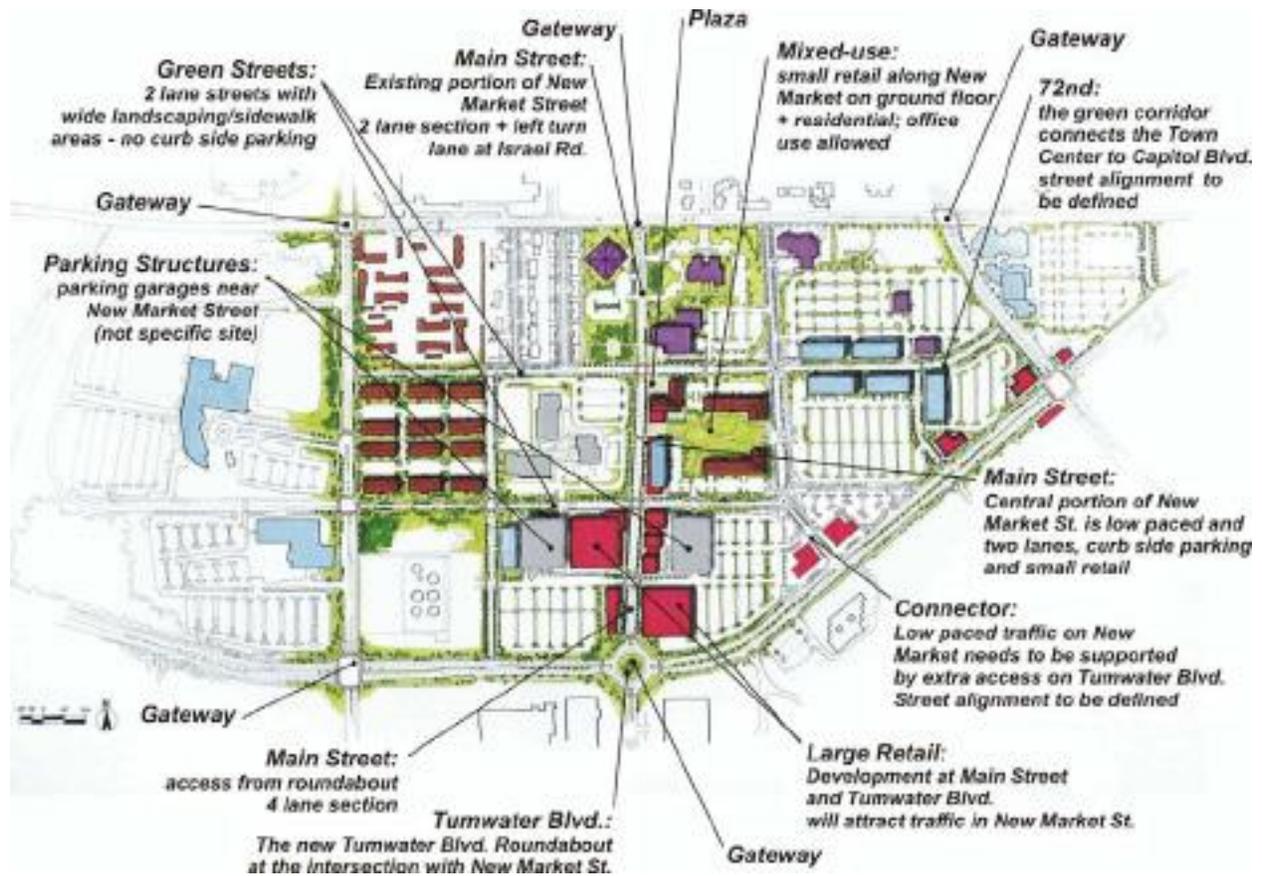
The established vision for Tumwater Town Center calls for a mix of retail, office, and service businesses, as well as residential uses and community gathering facilities. Since this vision was articulated in the Tumwater Town Center Plan Street Design in 2004, subsequent development has occurred in the form of State office buildings and ancillary supporting retailers, restaurants, and services.

While the mixed-use development of Tumwater Town Center is a long-term vision that may require patience, time, and public investment to achieve, it is prudent to continue to test its viability and modify the approach if necessary. This Plan calls for examining the likelihood of achieving the established vision given available residential lands. This may also involve establishing a non-binding master plan in partnership with the Port based on the results of this test and the Port's preparation of a Master Development Plan for its properties in their portion of the Tumwater Town Center and their New Market Industrial properties. The non-binding master plan would resolve ambiguities that persist in the marketplace about the properties and provide certainty for future development.

State agencies are an important foundation for Tumwater's economy. As such, Tumwater should continue to cultivate and welcome State agencies and affiliated contractors. At the same time, the City should also continue to look for opportunities to broaden its employment base to buffer against State government employment downturns and to provide a more diverse income base.

The existing office buildings in the area, many of which house State agencies, will serve as a foundation for efforts to advance the Tumwater Town Center project, whether the established mixed-use vision remains or is modified. This Plan calls for treating these offices as an economic development asset to be retained and expanded upon through the attraction of complementary businesses.

Town Center Street Design



		Years				
		Lead	Ongoing	1-4	5-8	9+
A. Evaluate the feasibility of the established Tumwater Town Center vision for mixed-use development		Planning				
1.	Revisit the Tumwater Town Center Plan	Planning		√		
2.	Compare the residential density required to support the mixed-use vision for the Tumwater Town Center with the buildable capacity of available land	Planning		√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
<p>B. In partnership with the Port, encourage development by establishing a non-binding master site plan for Port-owned properties within the Tumwater Town Center ■</p>	Planning		√		
<p>1. Determine allowable uses, roads, transit service, and public amenities in concordance with the results of the Tumwater Town Center Feasibility Study</p> <ul style="list-style-type: none"> ▪ If the vision is not supported, encourage the further development of commercial and civic uses ▪ If the vision is determined to be feasible, explore opportunities to spur residential and commercial development by: <ul style="list-style-type: none"> - Investing in amenities and place-making - Reducing parking requirements for residential development - Evaluating opportunities to 	Planning		√		

		Years			
	Lead	Ongoing	1-4	5-8	9+
employ the Multifamily Tax Abatement or other incentives for residential development					
<ul style="list-style-type: none"> ▪ Implement the street plan to reduce the size of existing blocks 		√			
2. Work with the Port to the Port to complete the street grid and utilities to facilitate development in the Town Center	City Admin	√			
3. Work with the Port to explore removing the restrictions on residential development in areas not under the flight path like the Town Center.	City Admin		√		
C. Consider additional investments and incentives if necessary to encourage development in the medium-to long-term, such as transit centers in ideal locations	City Admin				√
D. Treat Tumwater’s office market as an economic development asset and a foundation to build upon in advancing the Tumwater Town Center ← PRIORITY ITEM	ED Staff	-	-	-	-
1. Retain existing office-based employers and recruit	ED Staff	-	-	-	-

		Years			
	Lead	Ongoing	1-4	5-8	9+
complementary uses, including suppliers, contractors, and other retail and service businesses that frequently interact with State agencies					
<ul style="list-style-type: none"> ▪ Conduct regular outreach to State agencies to understand and respond to their needs ▪ Understand the types of businesses that State agencies frequently interact with and recruit firms to locate nearby 					
2.	Concentrate the location of State offices by advising the State Capitol Committee against future expansions of the Preferred Leasing and Development Areas	City Admin	√		
3.	Build commercial service nodes around office locations ■	Planning	√		
<ul style="list-style-type: none"> ▪ Ensure zoning and traffic infrastructure allows the creation of commercial nodes near office complexes ▪ Establish walking linkages between office complexes and Capitol Boulevard 			√	√	

Goal #8: Encourage economic development that strengthens the Tumwater community

Tumwater has the potential to develop a number of business districts, each with its own character and role in the larger economy. A variety of models of community-oriented development is encouraged in this Plan, including both small neighborhood-serving nodes and larger community retail centers anchored by a grocery store. While these development forms can be encouraged through zoning and infrastructure investment, the City’s greatest contributions may lie in its ability to help create vibrant business districts, each with engaged business owners and an attractive and cohesive look and feel.

In addition to the Brewery District discussed in Goal 4, the Capitol Boulevard Corridor, the Littlerock Road Subarea, and the 93rd Avenue and Interstate 5 interchange are important short-term economic development opportunities, as they are changing and hold significant potential for development and redevelopment. All three areas are located near entrances to the City from I-5 and their development will help to define Tumwater’s image in the region. City guidance and support via targeted infrastructure investment are important priorities of this Plan to ensure that these opportunities are fully realized.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Support multiple models of community-oriented development	Planning	√			
1. Clearly define differently-scaled models of community-oriented development, describing desirable development and community benefits for each	Planning		√		
2. Revise the development standards for the City’s Neighborhood Commercial zone to encourage small-scale retail uses that can serve the needs of local neighborhoods in a way that	Planning		√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
supports the surrounding areas ■					
3. Encourage the location of grocery-anchored centers in appropriate locations through zoning and potential infrastructure investment ■ <ul style="list-style-type: none"> ▪ Identify appropriate and feasible locations for such development and evaluate existing zoning to ensure desired development is possible ▪ Spur development if necessary by: <ul style="list-style-type: none"> - Investing in street or parking infrastructure - Considering zoning changes or other means to increase nearby residential population ■ - Increasing market draw by attracting anchor tenants or locating active civic uses in the area 	Planning		√		
4. Look for opportunities to support the development of on-line retail that support job growth in the City	City Admin ED Staff	√			

COMMUNITY-ORIENTED DEVELOPMENT

Models of community-oriented development should include both of the types described below:

- **Neighborhood commercial nodes** are small-scale developments with convenience retail establishments, restaurants, or service businesses that serve residents in the immediate area. The City’s existing Neighborhood Commercial zone is intended to allow this form of development. Neighborhood nodes enhance quality of life and make a community more desirable by providing convenient walking or driving access to daily goods and services, but do not generate significant additional jobs or enhance the City’s tax base.
- **Grocery-anchored centers** such as Tumwater Square are larger than neighborhood commercial nodes, consisting of a full grocery store and additional businesses that collocate in the same complex. Such centers require additional population and vehicle access and can provide more significant economic development benefits by capturing the spending of local residents and, depending on their location, residents from outside the City.

	Lead	Ongoing	Years		
			1-4	5-8	9+
B. Strengthen the identity and management of the City’s business districts	City Admin Planning ED Staff	√			
1. Name, demarcate, and promote the City’s business districts to develop them as distinct, attractive, and vibrant commercial centers			√		
2. Explore opportunities and partnerships to offer design assistance to property owners or business owners seeking to comply with design guidelines or business district visions			√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
3. Provide facilitation or technical assistance to business owners interested in establishing a Business Improvement Area or other models				√	
C. Support the transformation of Capitol Boulevard by pursuing opportunities to implement the Capitol Boulevard Corridor Plan ← PRIORITY ITEM	City Admin Planning	√			
1. Guide future development through the Capitol Boulevard Corridor Plan	Planning ED Staff Public Works	√			
2. Consider reducing or delaying collection of impact fees within the Capitol Boulevard Corridor in order to encourage desirable development	Planning		√		
3. Monitor real estate market conditions in the Capitol Boulevard Corridor and adjust regulatory and incentive measures to respond to market changes.	ED Staff		√		
4. Partner with WSDOT on recruiting redevelopment of the WSDOT site	City Admin			√	

	Lead	Ongoing	Years		
			1-4	5-8	9+
5. Work with the School District to plan an appropriate use for the property facing Capitol Boulevard in front of Peter G. Schmidt Elementary School	City Admin ED Staff		√		
6. Invest in mid-block pedestrian crossings in the Capitol Boulevard/Trosper Road area and undergrounding of power lines between M and X Streets along the Capitol Boulevard corridor	City Admin Public Works		√		
7. Enhance the visual appeal of the Capitol Boulevard Corridor by adding trees and undergrounding power lines with landscaping assistance from the City's Tree Fund	City Admin Public Works		√		
8. Evaluate the feasibility and benefits of supporting the development of a managed business district for portions of Capitol Boulevard	ED Staff	-	-	-	-
9. Establish a Small Neighborhood Improvements Program to construct small scale, low cost improvements to enhance the City's neighborhoods	City Admin		√		

	Lead	Ongoing	Years		
			1-4	5-8	9+
surrounding the Capitol Boulevard Corridor					
10. Continue to engage the residential and business communities in ongoing cooperative efforts	City Admin	√			
D. Implement the Littlerock Road Subarea Plan to encourage private development in the area	City Admin	√			
← PRIORITY ITEM					
↗ Related Strategy					
<ul style="list-style-type: none"> • <i>ED Plan: Goal 1, Strategy C.5 – promote specific geographic areas</i> 					
1. Utilize public investments in the Littlerock Road Subarea to spur private investment, prioritizing the development of a street plan and the design of the planned Tyee Drive extension		√			
2. Promote development opportunities within the Littlerock Road Subarea by creating materials that describe available property, potential uses, and the City’s interest in seeing the development of this area		√			

	Lead	Ongoing	Years		
			1-4	5-8	9+
<p>E. Consider a 93rd Avenue/I-5 Interchange Subarea Plan to help guide growth, transportation, and land use ←PRIORITY ITEM</p> <p>↗Related Strategy</p> <ul style="list-style-type: none"> • <i>ED Plan: Goal 1, Strategy C.5 – promote specific geographic areas</i> <p>1. Promote development opportunities within the Subarea by creating materials that describe available property, potential uses, and the City’s interest in seeing the development of this area</p>	City Admin		√		
<p>F. Support the development of the Warehouse and Craft Districts and broader craft food and beverage growth opportunities as outlined under Goal #5</p>	City Admin ED Staff	√			

Goal #9: Strengthen Tumwater’s image and advance the community as a regional destination

This Plan establishes strategies to strengthen Tumwater’s regional image by building on existing strengths to solidify and promote a stronger community identity. Sports, nature, art, culture, and heritage are defining attributes of Tumwater’s character, each of which can be augmented and communicated when describing the community. The City’s shopping, cultural, recreational, and residential opportunities are specific draws that will be marketed to the regional population and to State office workers, in particular. These efforts seek to capture additional day- and night-time spending by State employees and the relocation of State workers who currently live elsewhere in the region. These ends address economic development Goals and reduce traffic on the region’s roads.

Along with Olympia and Lacey, Tumwater is a part of a regional tourism market, with each community benefiting from strengthening the network of attractions that bring visitors to the area. Tumwater’s own tourism infrastructure should also be strengthened. Enhanced wayfinding will make attractions more accessible to out of town visitors and additional cultural and sports-related facilities and events will draw more visitors to the area.

	Lead	Ongoing	Years		
			1-4	5-8	9+
A. Strengthen community identity and promote a positive image	City Admin ED Staff	√			
1. Utilize existing and new festivals and events to foster community and enhance Tumwater’s image in the region	City Admin ED Staff	√			
2. Develop key messages and an outreach strategy to promote the City’s assets to the regional market	City Admin ED Staff		√		
▪ Create a list of key messages and build the community’s reputation over time, drawing on existing strengths such as sporting events and					

		Years			
	Lead	Ongoing	1-4	5-8	9+
	the City golf course, the natural beauty and recreational uses found in the Deschutes River Valley, arts and heritage, and Tumwater's high quality of life founded on good schools and strong neighborhoods				
3.	Establish a strategy to concentrate City- and State-funded public art in destination-worthy community spaces	City Admin ED Staff		√	
B.	Promote Tumwater as an attractive residential location for office workers		√		
1.	Encourage the provision of market rate housing, place-making, and multi-modal transportation connections in and in proximity to the Brewery District, Capitol Boulevard Corridor, and Tumwater Town Center	Planning	√		
2.	Encourage the provision of affordable housing in the City to support those who work in the City	Planning	√		
3.	Promote Tumwater's image among office workers whenever	ED Staff	-	-	-

	Lead	Ongoing	Years		
			1-4	5-8	9+
possible, considering them an important audience					
<ul style="list-style-type: none"> ▪ Develop an outreach strategy and specific means to promote Tumwater businesses and events to State employees 					
C. Promote the region’s attractions and strengthen Tumwater’s tourism infrastructure		√			
1. Continue to collaborate with neighboring communities to promote tourism to the region	ED Staff	√			
2. Continue to enhance wayfinding through the phased implementation of the Tumwater Wayfinding Signage Master Plan	Public Works	√			
3. Seek the location of cultural and entertainment uses managed by the private, public, or not-for-profit sector, including restaurants, night life, theaters, galleries, and cultural institutions	ED Staff	-	-	-	-
<ul style="list-style-type: none"> ▪ As funding opportunities allow, pursue additional cultural anchors such as a cultural center or 					

		Years			
	Lead	Ongoing	1-4	5-8	9+
water recreation complex					
4. Encourage the use of the Historic District and the Old Brewhouse as a regional tourism draw	City Admin	√			
5. Provide pedestrian connections between the brewery properties and the Historic District	City Admin				√
6. Consider use of art in strategic locations to provide cultural attractions	City Admin				√
D. Recruit more educational institutions to strengthen Tumwater’s economic base and enhance the dynamism of the community	ED Staff	-	-	-	-
<ul style="list-style-type: none"> ▪ Consider recruiting community, technical colleges, or private schools to Tumwater, targeting sites where the presence of the institution would add to the area’s vibrancy and encourage additional development 					
E. Recognize Interstate 5 as a valuable economic asset	City Admin	√			